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# **Transportation Committee**

**Tuesday, January 10, 2006  
1:15 PM - 3:15 PM  
404 HOB**

# Committee Meeting Notice

## HOUSE OF REPRESENTATIVES

Speaker Allan G. Bense

### Transportation Committee

**Start Date and Time:** Tuesday, January 10, 2006 01:15 pm

**End Date and Time:** Tuesday, January 10, 2006 03:15 pm

**Location:** 404 HOB

**Duration:** 2.00 hrs

#### Workshop on the following:

Workshop discussion of Proposed Committee Bills (PCB's) related to the following subjects:

1. General Revenue Bonds for Transportation Infrastructure (PCB TR 06-01 and PCB TR 06-02)
2. Highway Safety and Motor Vehicle Legislative Issues Package (PCB TR 06-03)
3. Transportation Legislative Issues Package (PCB TR 06-04)

Presentation by Florida Department of Transportation regarding project cost increases and potential impacts on the 5-year work program.

**NOTICE FINALIZED on 12/30/2005 10:09 by Rousseau.Tiffany**



## POTENTIAL USES OF NEW FUNDS UNDER THE “FAST FORWARD TO FLORIDA’S FUTURE” PROGRAM

### **1. Advance right-of-way/identified future transportation corridors**

- FDOT’s right-of-way land program acquires parcels to support the highway and bridge construction programs, as well as land acquired in advance of construction to avoid escalating land costs and prepare for long-range development. Because land costs in some urban areas are appreciating in excess of 10 percent annually, significant savings in right-of-way costs can be achieved if parcels are purchased in advance.
- Right-of-way acquisitions may be funded with state transportation revenues, federal funds, or Right-of-Way and Bridge Bond funds pursuant to Art. VII, s. 17, of the state constitution. However, the availability of bond funding under this program is limited by a cap on annual debt service of \$275 million.
- In its most current financial plan for FY 2007-2011, FDOT expects to spend \$434.4 million for advanced right-of-way acquisition.

### **2. Bridge Repair and Replacement Program projects**

- FDOT is responsible for maintaining and replacement of more than 6,000 bridges on state and federal highways. At the end of FY 2003/04, the department had identified 44 bridges needing replacement. Bridges are extremely expensive to replace and many communities balk at tolling bridges in order to pay for their construction and maintenance. Some growing communities also are seeking FDOT’s assistance to construct bridges that are off the FIHS.
- Bridge replacement may be funded with state transportation revenues, federal funds, or Right-of-Way and Bridge Bond funds pursuant to Art. VII, s. 17, of the state constitution. Again, the availability of bond funding under this program is limited by a cap on annual debt service of \$275 million.
- In its most current financial plan for FY 2007-2011, FDOT expects to spend \$1.263 billion for bridge repair and replacement. In the previous work program, there were about 370 bridge projects statewide, ranging from replacement, to repair, to repainting.

### **3. SIS/Emerging SIS projects**

- Created in 2003, Florida’s Strategic Intermodal System (SIS) is the state’s network of regionally significant highways, airports, seaports, and other transportation facilities, based on numeric criteria such as traffic counts and tons of freight moved. “Emerging SIS” facilities have lower levels of traffic

and freight movement, but are poised, because of growth patterns, to attain SIS status within a few years.

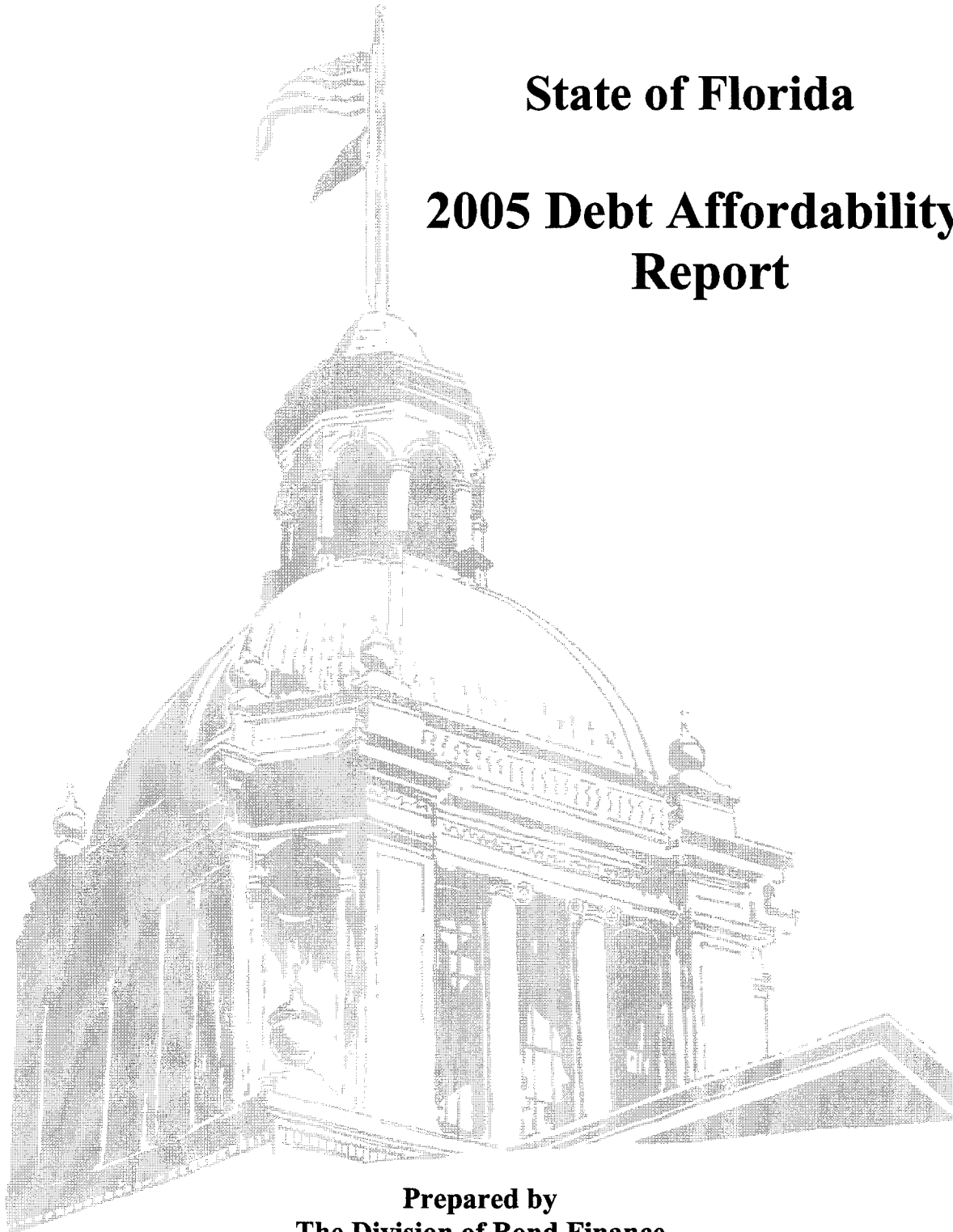
- The SIS currently receives about 65 percent of FDOT's revenues. In its most current financial plan for FY 2007-2011, the SIS/Emerging SIS capacity projects will receive nearly \$10.47 billion (which includes \$234 million in advanced right-of-way and \$161 million for intermodal access projects.)
- 4. "New Starts" transit projects**
- Created in 2005 as part of the state's growth-management law rewrite, the "New Starts" program will set aside \$709 million over the next 10 years to jump-start public transit capital projects in metropolitan areas by funding up to 50 percent of the non-federal share of costs. These projects also require a dedicated local funding source.
- 5. Intermodal access projects**
- The Intermodal Access program finances projects that improve access to airports, seaports, or other multimodal transportation facilities and terminals. Projects recently funded include double-tracking for the Tri-Rail in South Florida, construction of the Jacksonville Multimodal Terminal and Miami Intermodal Center, and highway interchange improvements at the Fort Lauderdale Airport.
  - In its most current financial plan for FY 2007-2011, FDOT expects to spend \$615.3 million on intermodal access projects.
- 6. Transportation Regional Incentive Program (TRIP) projects**
- Created in 2005 as part of the growth-management law rewrite, TRIP will match up to 50 percent on projects that meet regional mobility demands and other criteria. The state has made a \$1.6 billion commitment to fund TRIP over the next 10 years.
  - Some local governments are concerned they won't be able to meet the 50-percent, local-match requirement, especially with their backlog of city and county transportation needs.
- 7. Small County Outreach Projects (SCOP)**
- Counties with populations less than 150,000 are eligible for these transportation funds, which will cover 75 percent of selected projects' costs.
  - In its most current financial plan for FY 2007-2011, FDOT expects to spend \$234.4 million on SCOP.

**8. Non-SIS facilities that meet certain criteria**

- As mentioned above, there are significant bridge replacement projects that are not a part of the SIS, but are in areas with significant growth potential or future congestion issues, which don't have earmarked funding sources. Likewise, there is limited flexibility within FDOT's Work Program to improve highways or other transportation facilities that don't meet the SIS criteria, or which, while state facilities, primarily serve local needs.
- Also without a dedicated funding source are future transportation corridors, which can be designated by local governments in their comprehensive plans, or through corridor management agreements signed by two or more governmental entities.

**State of Florida**

**2005 Debt Affordability  
Report**



**Prepared by  
The Division of Bond Finance**

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## EXECUTIVE SUMMARY

The purpose of this 2005 Report is to review changes in the State's debt position and to revise the projections used to measure the financial impact of future debt issuance and changing economic conditions reflected in the current revenue estimates. The 2005 Debt Affordability Report has been prepared as required by Section 215.98, Florida Statutes.

**Debt Outstanding:** Total State debt outstanding at June 30, 2005 was \$22.5 billion, \$1.3 billion more than at June 30, 2004. Net tax-supported debt totaled \$17.5 billion for programs supported by State tax revenues or tax-like revenues. The self-supporting debt totaled \$5.0 billion, representing debt secured by revenues generated from operating bond financed facilities. Additionally, indirect State debt at June 30, 2004 was \$6.5 billion. Indirect debt is debt that is not secured by traditional State revenues or is the primary obligation of a legal entity other than the State, such as the Florida Housing Finance Corporation, Citizens Property Insurance Corporation and University Direct Support Organizations.

**Estimated Revenues:** The current long-run revenue forecast is significantly higher than last year's forecast. The November 2005, revenue forecasts used in the debt analyses reflect an increase of \$1.3 billion or 4.15% more than last year's forecast for Fiscal Year 2006 and \$1.0 billion or a 3.06% increase for Fiscal Year 2007. **The higher revenue forecast reflecting a strong economy has caused an improvement in the benchmark debt ratio.**

**Estimated Debt Issuance:** Approximately \$9.6 billion of debt is expected to be issued over the next ten years for all of the State's financing programs which are currently authorized. This estimate is approximately the same as the previous projection of expected debt issuance. An increase in expected PECO borrowing of \$765 million is offset by decreases in expected issuance for bonds that were issued during the year, such as Lottery and Right-of-Way. **The expected debt issuance does not include any additional bonding to implement the constitutional amendment for class size reduction.**

**Estimated Annual Debt Service Requirements:** Annual debt service payments are estimated to grow from the existing \$1.6 billion to \$2.2 billion by Fiscal Year 2013, assuming projected bond issuance of \$9.6 billion. The increase in annual debt service requirements was less than historical increases because less tax-supported debt was issued and significant refinancing activity to lower interest rates reduced future debt service payments.

**Overview of the State's Credit Ratings:** The State earned an upgrade in its credit rating from all three nationally recognized rating agencies during the past year. The State also attained its first "AAA" rating, the highest rating category available. The rating upgrades were due to several factors including the State's conservative financial management and budgetary practices coupled with strong reserves and a robust economy.

**Reserves:** A government's reserves is one of the most important indicators of financial strength. **The combined balance of the Budget Stabilization and General Funds was \$4.6 billion or 18.3% of general revenues at June 30, 2005.** This level of reserves is unprecedented and strong reserves were one of the factors cited by the rating agencies in upgrading the State's credit ratings. Adequate reserves have been critical in dealing with the costs of storm recovery associated with hurricanes.

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**Debt Ratios:** The State's benchmark debt ratio of debt service to revenues available to pay debt service has improved over the past year. The benchmark debt ratio improved from 5.94% for Fiscal Year 2004 to 5.36% for Fiscal Year 2005. The improvement in the benchmark debt ratio is due to higher than expected revenues during Fiscal Year 2005. The benchmark debt ratio is projected to remain well within the 6% target during the foreseeable future, based on expected debt issuance and the current revenue forecast. The expected debt issuance does not include any additional bonding to provide funding for class size reduction beyond the \$600 million of Lottery Bonds authorized in Fiscal Year 2003.

<b>2004 Comparison of Florida to Peer Group and National Medians</b>			
	<b>Net Tax-Supported Debt as a % of Revenues</b>	<b>Net Tax-Supported Debt as a % of Personal Income</b>	<b>Net Tax-Supported Debt Per Capita</b>
<b>Florida</b>	<b>5.94%</b>	<b>3.22%</b>	<b>\$971</b>
<b>Peer Group Mean</b>	<b>4.75%</b>	<b>3.99%</b>	<b>\$1,340</b>
<b>National Median</b>	<b>Not Available</b>	<b>2.40%</b>	<b>\$703</b>

A comparison of 2004 ratios shows that Florida's debt ratios are generally higher than the national and Ten State Peer Group averages. However, the State ranking has seen improvement. Florida moved from the second to the third highest ratio for the benchmark debt ratio of debt service to revenues within the peer group.

Florida also moved from fourth to fifth in rank of the highest net tax-supported debt as a percentage of personal income and debt per capita within the peer group.

**Debt Capacity:** The debt capacity available within the 6% target is \$16.7 billion over the next ten years. However, only \$1.6 billion is available over the next three years.

The debt capacity available within the 7% cap is approximately \$23.6 billion over the next ten years. However, only \$6.4 billion is available over the next three years. **The debt capacity available within the 7% cap should be preserved and used as a cushion against downturns in the economy.**

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## INTRODUCTION

In 1999, the Governor and Cabinet, acting as Governing Board of the Division of Bond Finance, requested staff to prepare a Debt Affordability Study. *The purpose of the study was to provide policymakers with a basis for assessing the impact of bond programs on the State's fiscal position enabling informed decisions regarding financing proposals and capital spending priorities.* A secondary goal was to provide a methodology for measuring, monitoring and managing the State's debt thereby protecting, and perhaps enhancing, Florida's bond ratings.

A report entitled "*State of Florida Debt Affordability Study*" was prepared and presented to the Governor and Cabinet on October 26, 1999. The Debt Affordability Study was the first comprehensive analysis of the State's debt position. The methodology used to analyze the State's debt position was as follows:

- Catalogued All State Debt;
- Evaluated Trends in Debt Levels Over the Last Ten Years;
- Calculated Debt Ratios;
- Compared Florida Debt Ratios to National Medians and to Ten-state Peer Group Medians;
- Designated Debt Service to Revenues as the Benchmark Debt Ratio;
- Established Guidelines for Calculating Debt Capacity;
  - 6% Debt Service to Revenues as the Target;
  - 8% Debt Service to Revenues as the Cap; and,
- Calculated Debt Capacity Within the Guideline Range.

The Debt Affordability Study enabled the State's debt position to be evaluated using objective criteria. One of the benefits of the Debt Affordability Study was the development of an analytical approach to measuring, monitoring and managing the State's debt position. The process of analyzing the State's debt position also helps integrate debt management practices (an Executive Branch function) with capital spending decisions (a Legislative Branch function). The information produced by the Debt Affordability Study and the yearly updates can be used by policymakers to evaluate the long-term impact of financing decisions and assist in prioritizing capital spending.

During the 2001 Legislative Session, the Legislature endorsed and formalized the debt affordability analysis by passing Section 215.98, Florida Statutes. The statute requires the debt affordability analysis to be prepared and delivered to the President of the Senate, Speaker of the House and the chair of each appropriations committee by December 15<sup>th</sup> each year and, among other things, designates debt service to revenues as the benchmark debt ratio. *Additionally, the Legislature created a 6% target and 7% cap for calculating estimated debt capacity.*

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Additional debt that would cause the benchmark debt ratio to exceed 6% requires the Legislature to determine that the authorization and issuance of such additional debt is in the best interest of the State. Additional debt that would cause the benchmark debt ratio to exceed 7% requires the Legislature to determine that such additional debt is necessary to address a critical state emergency. The Legislature made the required determination that the debt being authorized is in the best interest of the State in each of the last three years. This determination was set forth in the appropriations act applicable to each year.

The Debt Affordability Study resulted in the development of a financial model which measures the impact of changes in two variables: (1) the State's annual debt service payments; and (2) the amount of revenues available for debt repayment. The analysis compares the State's current debt position to relevant industry standards and evaluates the impact on the State's debt position of issuing more debt as well as changes in the economic climate reflected in the current revenue forecasts.

This 2005 Report is the debt affordability analysis which satisfies the requirements of Section 215.98, Florida Statute. *The purpose of this 2005 Report is to review changes in the State's debt position over the past year and revise the projections to measure the financial impact of future debt issuance and changing economic conditions reflected in the current revenue estimates.* Performing the debt affordability analysis enables the State to monitor changes in its debt position. The 2005 Report also provides more current information regarding the impact of changes in economic conditions and enables the State to anticipate and plan for changing economic conditions in its future borrowing plans.

The essence of the 2005 Report is to revise projected debt ratios for three factors: (1) actual debt issuance and repayments over the last year; (2) expected future debt issuance over the next 10 years; and (3) revised revenue forecasts by the Office of Economic and Demographic Research. The revised debt ratios are compared with national averages and the debt ratios of our ten-state peer group. Additionally, the revised benchmark debt ratio is evaluated vis-à-vis the 6% target and 7% cap. Lastly, *the target benchmark debt ratio of 6% and the cap of 7% are used to calculate anticipated future debt capacity available within the respective limits.*

The information generated by this analysis was presented to the Governing Board of the Division of Bond Finance on December 13, 2005, and provided to the Governor's Office of Planning and Budgeting for their use in connection with formulating the Governor's Budget Recommendations. The analysis will be repeated for revised revenue estimating conference forecasts. The information can then be used by the legislature to establish priorities during the legislative appropriation process. Accordingly, *State policymakers will have the latest information available when making critical decisions regarding borrowing when formulating the appropriations act.* Additionally, as the legislature considers new financing initiatives, the long-term financial impact of any proposal can be evaluated upon request. *The information generated by this analysis is important for policymakers to consider because their decisions on additional borrowing can affect the fiscal health of the State.*

This is the fifth year that the Annual Debt Affordability Report has been prepared and provided to the Legislature.

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## COMPOSITION OF OUTSTANDING FLORIDA DEBT

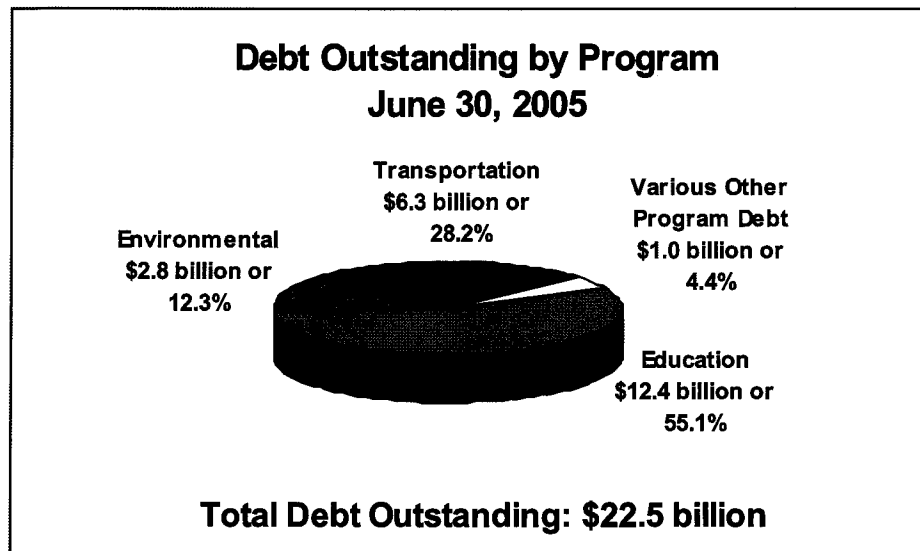


Figure 1

*The State of Florida had total debt outstanding of approximately \$22.5 billion at June 30, 2005.* Figure 1 illustrates the State's investment in infrastructure financed with bonds by program area. The largest investment financed with bonds is for educational facilities with \$12 billion or 55% of total debt outstanding devoted to school construction. Public Education Capital Outlay or "PECO" is the State's largest bond program with approximately \$8.7 billion of debt outstanding. The second largest program area financed with bonds is for transportation infrastructure. The transportation infrastructure financed with bonds consists primarily of toll roads. The combined investment in toll roads by Florida's Turnpike and the State's Expressway Authorities is approximately \$4.1 billion. The third largest investment financed with bonds has been for acquiring land for conservation with \$2.8 billion of Preservation 2000 / Florida Forever bonds now outstanding.

As shown in Figure 2, *the \$22.5 billion debt outstanding at June 30, 2005 consisted of net tax-supported debt totaling \$17.5 billion.* Net tax-supported debt consists of debt secured by state tax revenue or tax-like revenue, such as lottery revenue. Self-supporting debt represents debt secured by revenues generated from operating the facilities financed with bonds. Toll facilities, including the Turnpike and other expressway authority bond programs, are the primary self-supporting debt outstanding. The remaining self-supporting debt relates to university auxiliary enterprises such as dormitories and parking facilities. This year the change in outstanding self-supporting debt accounted for 54% of the total increase in outstanding debt.

State of Florida		
Debt Outstanding by Type and Program		
As of June 30, 2005		
(In Million Dollars)		
Debt Type		Amount
Net Tax-Supported Debt		\$ 17,455.3
Self Supporting Debt		\$ 5,006.3
Total State Debt Outstanding		\$ 22,461.6
Dollar Amount		
Net Tax-Supported Debt		
Education		
Public Education Capital Outlay	\$ 8,653.5	
Capital Outlay	869.3	
Lottery	2,086.0	
University System Improvement	179.8	
Total Education		\$ 11,788.6
Environmental		
Preservation 2000 / Florida Forever	2,515.2	
Conservation and Recreation	17.2	
Save Our Coast	96.2	
Total Environmental		2,628.6
Transportation		
Right-of-Way and Bridge Acquisition	1,704.7	
State Infrastructure Bonds	21.6	
Florida Ports	324.8	
Total Transportation		2,051.1
Appropriated Debt / Other		
Facilities	345.3	
Master Lease	20.6	
FLAIR Lease	49.6	
Prisons	189.1	
Juvenile Justice	17.6	
Children & Families	30.2	
Aircraft Lease	5.0	
Affordable Housing	273.5	
Florida High Charter School	21.7	
Lee Moffitt Cancer Center	34.4	
Total Appropriated Debt		987.0
Total Net Tax-Supported Debt Outstanding		\$ 17,455.3
Self Supporting Debt		
Education		
University Auxiliary Facility Revenue Bonds	\$ 593.2	
Environmental		
Florida Water Pollution Control	123.0	
Pollution Control	0.1	
Transportation		
Toll Facilities	\$ 2,266.0	
Orlando-Orange Co. Expressway Authority	1,834.3	
Road and Bridge	149.1	
State Infrastructure	40.7	
Total Transportation		4,290.0
Total Self Supporting Debt Outstanding		\$ 5,006.3

Figure 2

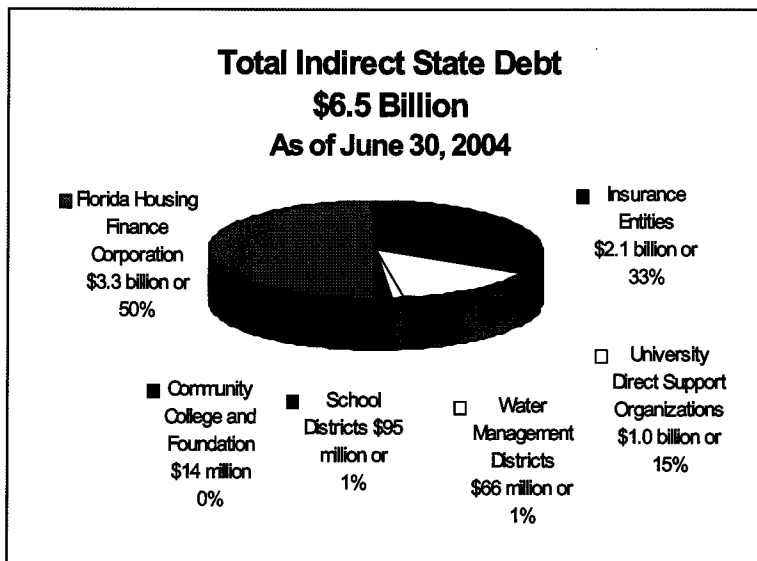


Figure 3

In addition to the direct debt comprised of net tax-supported and self-supporting debt, the State also has indirect debt. Indirect debt is debt that is not secured by traditional State revenues or is the primary obligation of a legal entity other than the State. ***Indirect debt of the State totaled \$6.5 billion at June 30, 2004.*** Figure 3 sets forth the State's indirect debt by type. The Florida Housing Finance Corporation, which administers the State's housing programs, is the primary issuer of indirect debt with \$3.3 billion or 49% of the total. Special purpose, quasi-governmental insurance entities have \$2.2 billion or 32% of total indirect debt. University direct support organizations follow with \$1.0 billion or 14% of the indirect debt.

State indirect debt by program is listed in Figure 4 to illustrate which entities incur such debt and for what purpose. For example, 78% of the Florida Housing Finance Corporation debt has been issued for multi-family housing projects and 22% for single family housing. The Shands Hospital at the University of Florida accounts for 47% of the university direct support organization debt. Lastly, 28% of total indirect debt is for the special purpose insurance entity, Citizens Property Insurance Corporation.

Total State Indirect Debt by Program (In Millions of Dollars)		
Florida Housing Finance Corporation		
Single Family Programs	\$ 717.4	
Multi-Family Programs	2,544.7	
Total		\$ 3,262.1
University Direct Support Organizations		
Shands Teaching Hospital	447.2	
Florida State University	115.2	
University of South Florida	129.0	
University of Florida	131.8	
Other State Universities	136.4	
Total		959.5
School District		95.0
Community College and Foundation Debt		14.0
Water Management Districts		66.0
Citizens Property Insurance Corporation		2,150.0
<b>Total State Indirect Debt</b>		<b>\$ 6,546.6</b>

Figure 4



## GROWTH IN STATE DEBT

Trends in debt are an important tool to evaluate debt levels over time. Figure 5 graphically illustrates the growth in total State direct debt over the last 10 years.

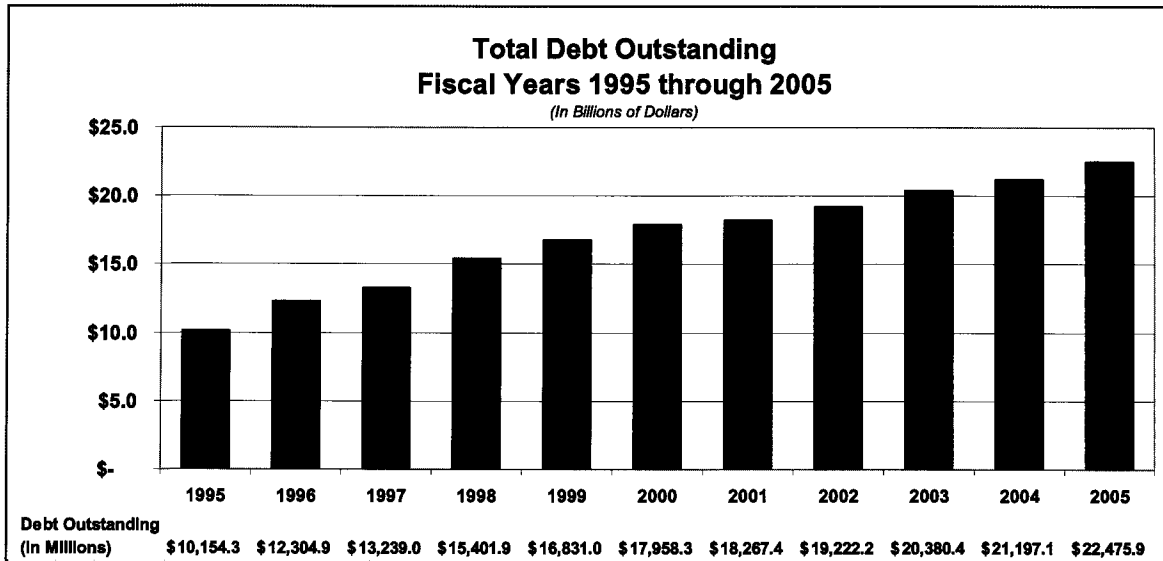


Figure 5

The State made a substantial investment in infrastructure over the ten year period shown, addressing the requirements of a growing population for education, transportation and acquiring conservation lands. **Total State debt more than doubled over the last 10 years, increasing from approximately \$10.2 billion at June 30, 1995 to approximately \$22.5 billion at June 30, 2005.** The increase was primarily due to the issuance of additional PECO bonds of \$4.8 billion and implementing the lottery bond program for school construction of \$2.4 billion, Right-of-Way bond program of \$1.6 billion, the Florida Ports financing program of \$335 million and the Preservation 2000 / Florida Forever programs for \$2.2 billion.

**Debt increased \$1.3 billion in Fiscal Year 2005 from \$21.2 billion at June 30, 2004 to approximately \$22.5 billion at June 30, 2005, less than the average annual increase of approximately \$1.6 billion per year over the last 10 years.** The increase in debt is due primarily to additional borrowing for transportation construction with financing programs for transportation facilities accounting for 67% or \$944 million of the increase over the prior year. Education borrowing for school construction accounted for the balance of the increase (\$398 million) from the prior year.

Growth in annual net tax-supported debt service is small (\$32 million) compared to the growth in total debt outstanding. The small increase in annual debt service requirements is because of the composition of the change in debt outstanding (2/3 self-supporting debt and only 1/3 net tax-supported debt). Also contributing to the low growth in debt service is the significant refinancing activity to take advantage of lower interest rates. Figure 6 depicts the increase in yearly debt service payments caused by the increase in debt over the last ten years.

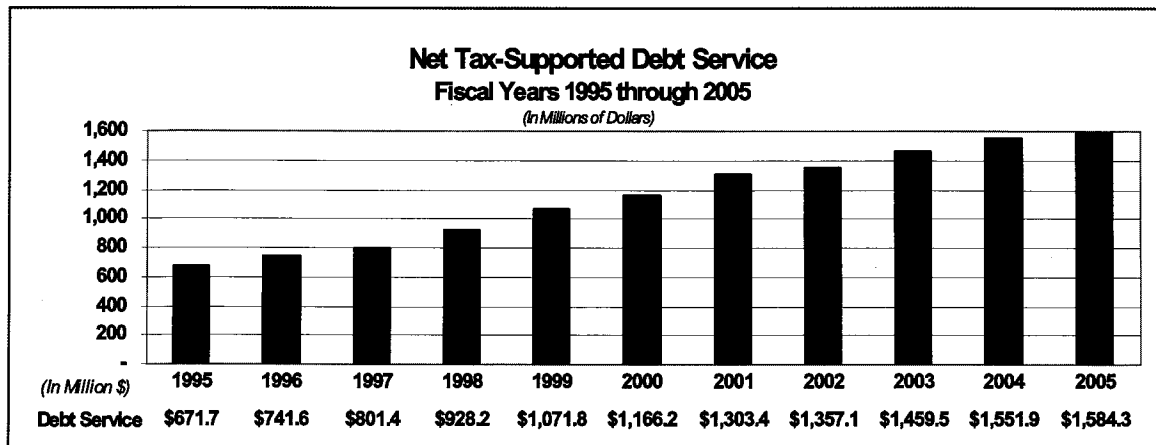


Figure 6

*The State's annual debt service payments on net tax-supported debt is approximately \$1.6 billion per year.* Annual debt service requirements have more than doubled over the last 10 years reflecting the increase in debt outstanding. The State's annual debt service payment obligation has risen from approximately \$670 million in 1995 to approximately \$1.6 billion in 2005. This measure is important from a budgetary perspective because it indicates how much of the State's budget is devoted to paying off debt before providing for other essential government services.

The debt service for the next ten years on the State's existing net tax-supported debt is shown in Figure 7. The total annual payments consist of both principal and interest on outstanding debt as depicted below. The State policy of using a level debt structure is apparent with annual debt service requirements of approximately \$1.6 billion per year over the next nine years dropping to approximately \$1.3 billion in 2014 due to the final maturity of Preservation 2000 bonds. Additionally, total interest payments of \$7.0 billion are 18% less than principal amortization of \$8.5 billion over the next ten fiscal years.

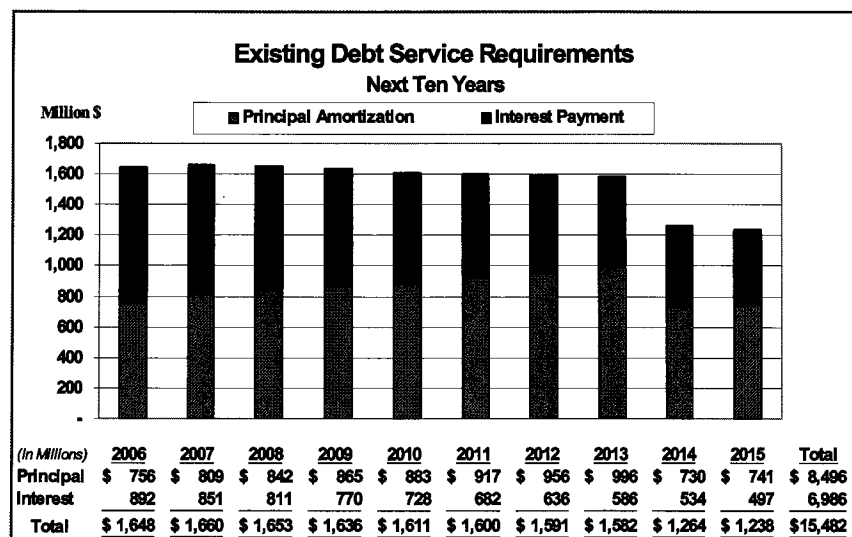


Figure 7

## EXPECTED DEBT ISSUANCE

The table set forth in Figure 8 represents the expected debt issuance over the next ten years for each of the State's currently authorized bonding programs.

Projected Debt Issuance By Program Fiscal Years 2006 through 2015																
(In Thousands)																
Fiscal Year	PECO		Capital		Fla. Forever			Affordable				DCFS				Total
	Current	Prior	Outlay	Lottery	Current	Prior	ROW	Garvey	Housing	Everglades	SUS	Prisons	Lease	FLAIR	Lease	
2006	\$ 200	\$ 390	\$ 40	\$ 200	300	150	-	-	-	100	\$ 70	\$ 114	\$ 47	\$ 21	\$ 25	\$ 1,657
2007	549	200	-	-	300	50	200	-	-	100	-	-	-	21	25	1,445
2008	236	765	-	-	300	150	200	-	-	100	-	-	-	-	25	1,775
2009	193	236	-	-	300	-	300	-	100	100	-	-	-	-	-	1,229
2010	317	-	-	-	300	-	100	-	-	100	-	-	-	-	-	817
2011	263	-	-	-	-	-	100	-	-	-	-	-	-	-	-	363
2012	256	-	-	-	-	-	100	300	-	-	-	-	-	-	-	656
2013	279	-	-	-	-	-	20	225	-	-	-	-	-	-	-	524
2014	618	-	-	-	-	-	-	-	-	-	-	-	-	-	-	618
2015	469	-	-	-	-	-	-	-	-	-	-	-	-	-	-	469
Expected Issuance	\$ 3,380	\$ 1,590	\$ 40	\$ 200	\$ 1,500	\$ 350	\$ 1,020	\$ 525	\$ 100	\$ 500	\$ 70	\$ 114	\$ 47	\$ 42	\$ 75	\$ 9,554

Figure 8

***Approximately \$9.6 billion of debt is expected to be issued over the next ten years for all of the State's financing programs which are currently authorized.*** This estimated issuance is approximately the same as the previous projection of expected debt issuance. PECO issuance is expected to increase by \$765 million. However the total increase is reduced because bonds for the Lottery and Right-of-Way programs are not expected to be repeated. ***It is important to note that no debt has been included in the projections for further funding of the constitutional initiative for class size reduction.*** Any borrowing to fund the constitutional initiative or other programs would be in addition to the \$9.6 billion expected borrowing detailed above.

## PROJECTED DEBT SERVICE

*Annual debt service is estimated to grow to \$2.2 billion by Fiscal Year 2013 and decline thereafter, assuming projected bond issuance of \$9.6 billion.* Figure 9 shows existing debt service and the estimated annual debt service for the projected bond issuance over the next ten fiscal years.

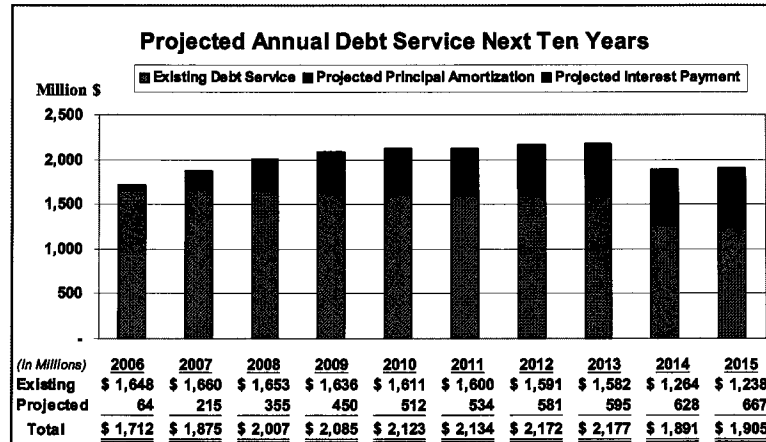


Figure 9

## LONG-RUN REVENUE FORECASTS

Projected revenue available to pay debt service is one of the two variables used to calculate the benchmark debt ratio. Revenue projections are especially important when they change to reflect a different economic environment. Changes in revenue estimates have a significant impact on the calculation of available debt capacity because of the multiplier effect. The chart in Figure 10 sets forth the estimated revenues available to pay debt service for the next 10 years. Additionally, the chart shows the change in expected revenue collections by comparing the current Revenue Estimating Conference forecast to that of last year.

Projected Revenue Available for State Tax-Supported Debt										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Revenue Available (Fall 2005 Estimates)	\$32.26	\$32.66	\$34.06	\$35.75	\$37.49	\$39.45	\$43.29	\$45.49	\$47.88	\$50.45
Prior Projected Revenues Available (Fall 2004 Estimates)	\$30.97	\$31.69	\$32.87	\$34.31	\$36.15	\$37.93	\$39.63	\$42.14	\$44.51	-
Increase In Revenue Estimate	\$1.3	\$1.0	\$1.2	\$1.4	\$1.3	\$1.5	\$3.7	\$3.4	\$3.4	
Percent Change In Estimate	4.2%	3.1%	3.6%	4.2%	3.7%	4.0%	9.2%	8.0%	7.6%	

Figure 10

*The current long-run revenue forecast is significantly higher than last year's forecast due to the strengthening economy.* The revised revenue forecasts used in the debt analyses reflect increases ranging from \$1.3 billion or 4.2% more than last year's forecast for Fiscal Year 2006 to \$3.7 billion or 9.2% more than the previous forecast for Fiscal Year 2012. Approximately 50% of the increase in revenues in 2012 is brought about by adding the revenue pledged to the GARVEE bond program which currently is expected to issue bonds in 2012.

## BENCHMARK DEBT RATIO

The benchmark measure designated for the debt affordability analysis is the ratio of debt service to revenues available to pay debt service. *The guidelines established by the Legislature for the debt ratio include a 6% target and a 7% cap.* The graphic in Figure 11 shows the historical growth in the benchmark debt ratio over the last ten years and the projected ratio reflecting the most current expected debt issuance and revenue collections.

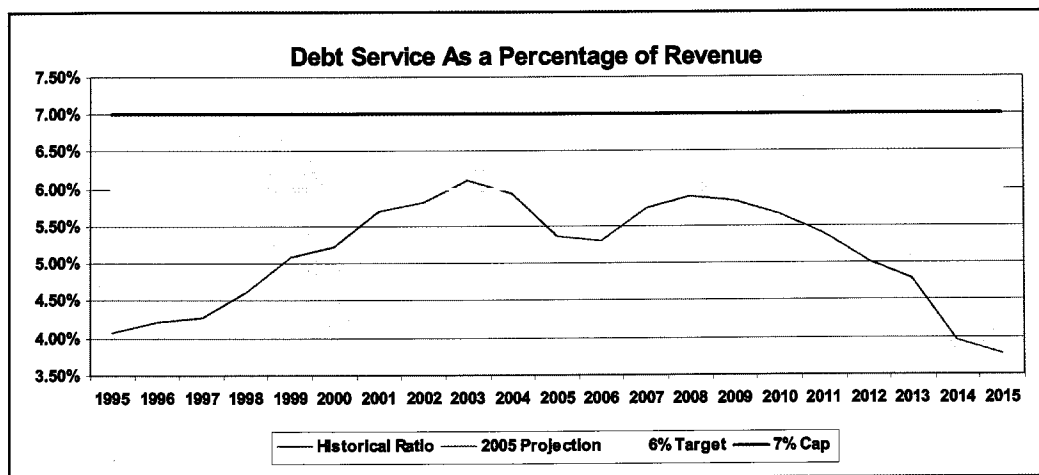


Figure 11

*The State's debt position measured by the benchmark debt ratio was 5.36% at June 30, 2005, an improvement from the 5.94% at June 30, 2004.* The benchmark ratio is projected to remain reasonably consistent with the 6% target over the projection period based on existing borrowing plans, current revenue forecasts and economic outlook. Current projections are favorable for the State's debt position.

Ratio of Debt Service to Revenues										
Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
2005 Projection	5.31%	5.74%	5.89%	5.83%	5.66%	5.41%	5.02%	4.78%	3.95%	3.78%

Figure 12

*The improvement in the benchmark debt ratio is primarily due to higher than expected revenue collections, the use of cash in lieu of borrowing for environmental programs and class-size reduction during the 2005 Fiscal Year, and refinancings which reduced required debt service payments.* The additional expected issuance does not include any new bond programs. *The benchmark ratio does not reflect any additional borrowing which may be necessary to implement the constitutional amendment requiring reduced class sizes* beyond the \$600 million expansion of the lottery bond program enacted by the Legislature in 2003.

## CHANGE IN DEBT CAPACITY

The last step in the debt affordability analysis is to estimate the future available debt capacity. Figure 13 sets forth the debt capacity available within the 6% target benchmark, taking into account expected issuance under existing state bond programs. The debt capacity available over the next ten fiscal years within the 6% target totals \$16.7 billion. *Over the next three years, the estimated debt capacity within the 6% target is \$1.6 billion. Future expected debt issuance does not include any additional bonding authorization to implement the constitutional initiative for class size reductions.*

Debt Capacity for 6% Target Benchmark Ratio											
(In Millions of Dollars)											
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Total Capacity	\$ 1,457.3	\$ 1,919.6	\$ 2,275.4	\$ 2,078.9	\$ 1,907.4	\$ 1,897.4	\$ 1,854.1	\$ 1,817.6	\$ 5,641.2	\$ 2,753.9	\$ 23,602.8
Expected Issuance	\$ 1,457.3	\$ 1,444.6	\$ 1,975.4	\$ 1,228.9	\$ 817.0	\$ 363.0	\$ 656.2	\$ 524.4	\$ 617.8	\$ 469.2	\$ 9,553.8
Available Capacity	\$ -	\$ 475.0	\$ 300.0	\$ 850.0	\$ 1,375.0	\$ 2,425.0	\$ 1,700.0	\$ 5,550.0	\$ 1,875.0	\$ 2,150.0	\$ 16,700.0

Figure 13

Based on the 6% target benchmark debt ratio, the total bonding capacity over the next ten years would be \$23.6 billion. As shown previously, the expected debt issuance for the next ten fiscal years for the existing financing programs is estimated to be approximately \$9.6 billion. This leaves approximately \$16.7 billion of debt capacity available over the next ten years. This represents a \$4.8 billion increase in available debt capacity over last year's estimate. *The increased capacity is primarily due to the improved revenue forecast reflecting the strong State economy and the new revenue source, federal reimbursement payments, available for GARVEE debt service.*

Figure 14 shows the additional capacity under the 7% cap for the benchmark ratio which could be available for critically needed infrastructure. The debt capacity available over the next ten fiscal years within the 7% cap totals \$23.6 billion. *The near term additional debt capacity available through 2009 is \$6.4 billion.* However, debt capacity can change significantly due to changes in revenue estimates reflecting a different economic environment.

Debt Capacity for 7% Cap Benchmark Ratio											
(In Millions of Dollars)											
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Total Capacity	\$ 5,470.4	\$ 1,444.6	\$ 1,975.4	\$ 1,532.8	\$ 2,157.4	\$ 2,147.4	\$ 2,104.1	\$ 2,117.6	\$ 5,941.2	\$ 3,103.9	\$ 27,994.8
Expected Issuance	\$ 1,457.3	\$ 1,444.6	\$ 1,975.4	\$ 1,228.9	\$ 817.0	\$ 363.0	\$ 656.2	\$ 524.4	\$ 617.8	\$ 469.2	\$ 9,553.8
Available Capacity	\$ 4,350.0	\$ 475.0	\$ 525.0	\$ 1,050.0	\$ 1,625.0	\$ 2,950.0	\$ 2,000.0	\$ 5,850.0	\$ 2,225.0	\$ 2,525.0	\$ 23,575.0

Figure 14

The available debt capacity should be considered a scarce resource to be used sparingly to provide funding for critically needed infrastructure. It is not prudent to use the capacity simply because the financial model indicates it is available. Once used, the capacity is not available again for 20 years. *The debt capacity available under the 7% cap should be used as a cushion against downturns in the economy* because the available capacity can evaporate quickly when a slowing economy produces less favorable revenue estimates.

## DEBT RATIO COMPARISON

There are three debt ratios used by the municipal industry to evaluate a government's debt position. The three debt ratios are debt service to revenues, debt per capita, and debt to personal income. Comparisons to national and peer group medians are helpful because absolute values are not particularly useful without a basis for comparison. A more meaningful comparison is made by looking at a peer group consisting of the ten most populous states.

2004 Comparison of Florida to Peer Group and National Medians			
	Net Tax Supported Debt as a % of Revenues	Net Tax Supported Debt Per Capita	Net Tax Supported Debt as a % of Personal Income
Florida	5.94%	\$971	3.22%
Peer Group Mean	4.75%	\$1,340	3.99%
National Median	Not Available	\$703	2.40%

Figure 15

*Florida's debt ratios are generally higher than the national averages.* The ten-state peer group comparison as shown in Figure 15 shows that, while higher than the national average, Florida's debt per capita and debt as a percent of personal income is lower than the peer group mean.

2004 Comparison of Florida to Ten Most Populous States						
	Net Tax Supported Debt		Net Tax Supported		Net Tax Supported Debt	
	Rank	Service as a % of Revenues	Rank	Debt Per Capita	Rank	as a % of Personal Income
New York	1	10.59%	2	\$2,593	1	7.20%
Illinois	2	6.22%	3	\$2,019	3	6.20%
Florida	3	5.94%	5	\$971	5	3.22%
Ohio	4	5.54%	6	\$866	6	2.90%
New Jersey	5	4.57%	1	\$2,901	2	7.40%
Michigan	6	4.45%	9	\$691	9	2.20%
California	7	4.11%	4	\$1,545	4	4.70%
Georgia	8	3.11%	7	\$803	7	2.80%
Pennsylvania	9	1.98%	8	\$730	8	2.30%
Texas	10	0.99%	10	\$279	10	1.00%
National Median		Not Available		\$703		2.40%
Peer Group						
Median		4.51%		\$919		3.06%
Mean		4.75%		\$1,340		3.99%

Figure 16

Figure 16 details the Ten Most Populous State Peer Group Comparison for the three debt ratios evaluated. As indicated above, *Florida has the third highest ratio for the benchmark debt ratio of debt service to revenues.*

## LEVEL OF RESERVES

**An important measure of financial health is the level of general fund reserves.** The following graphic, Figure 17, shows the level of the State's general fund reserves by combining unencumbered balances in the General, Working Capital and Budget Stabilization Funds over the last ten fiscal years. The graphic also shows an estimate of the expected fiscal 2006 year-end general fund reserves.

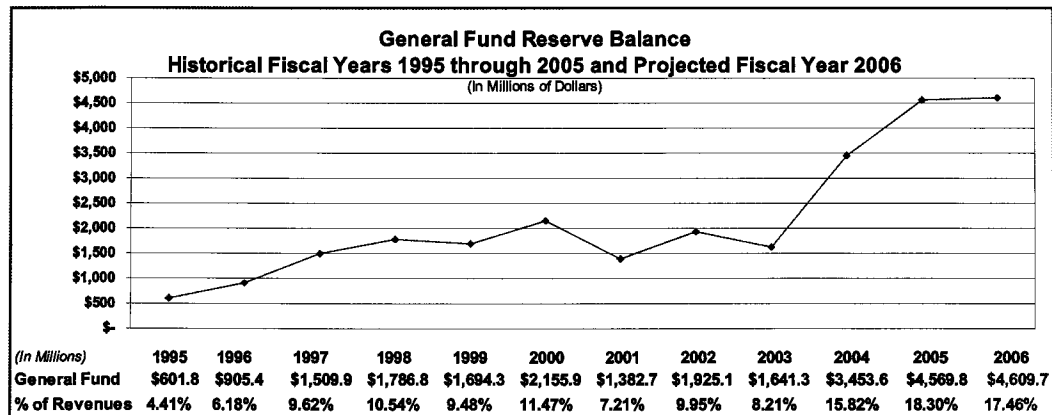


Figure 17

The level of reserves is also an important indicator of the ability to respond to unforeseen financial challenges, which is relevant in evaluating a state's credit position. The traditional measure used by credit analysts, investors and rating agencies is the ratio of general fund balance to general revenues expressed as a percentage. In measuring State reserves for this purpose, the State's unencumbered general fund balance plus monies in the Working Capital and Budget Stabilization Funds have been included. Trust fund balances which could be considered a "reserve", such as funds in the Lawton Chiles Endowment Fund and other trust fund balances whose purpose is limited by law, are not included.

**Florida's general fund reserves have increased substantially over the last ten years from \$602 million to \$4.6 billion due to the funding of a constitutionally required budget stabilization fund and higher than expected revenue collections last fiscal year.** The general fund reserves have increased almost every year except for fiscal years 2001 and 2003 when general fund reserves were drawn-down to mitigate the impact of budget cuts necessary to adjust for expected revenue shortfalls. Notwithstanding difficult economic conditions and drawing down a portion of general fund reserves to mitigate budget cuts, the State has maintained strong general fund reserves. The general fund reserves at the end of fiscal 2005 totaled \$4.6 billion or 18.3% of general revenues. The general fund reserves consist of combined balances in the Budget Stabilization Fund (\$999.2 million) and General Fund unallocated general revenues (\$3,470.6 million).

General fund reserves are expected to be maintained during the current fiscal year at approximately \$4.6 billion or 17.4% of general revenues. **Maintaining strong general fund reserves during a difficult economic climate distinguishes Florida from virtually all other states.** The strength of State reserves was a significant factor in the rating upgrades.



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## REVIEW OF CREDIT RATINGS

Credit ratings are the rating agencies' assessment of a governmental entity's ability and willingness to repay debt on a timely basis. ***Credit ratings are an important indicator in the credit markets and can influence interest rates a borrower must pay.*** Each of the rating agencies believes that debt management generally and the Debt Affordability Report in particular are positive factors in assigning credit ratings.

Florida is a strong credit as reflected in the rating upgrades received this year. The State also attained its first 'AAA' rating. ***The rating upgrades were based on the strong conservative financial and budget management practices, substantial budget reserves and economic trends of the State.***

<b>State of Florida General Obligation Credit Ratings</b>	
Standard & Poor's Ratings Services	AAA
Fitch Ratings	AA+
Moody's Investors Service	Aa1

Figure 18

There are several factors which rating agencies analyze in assigning credit ratings: financial factors, economic factors, debt factors, and administrative / management factors. Weakness in one area may well be offset by strength in another. However, significant variations in any single factor can influence a bond rating.

Florida's economy has proved fairly durable during the latest recession. Actual general revenue collections for the 2005 fiscal year were \$320 million more than the April, 2005, estimates. The latest general revenue forecast completed in November, 2005, projected a \$1.7 billion increase for the current fiscal year or 7.0% more than the prior revenue estimates. The increase reflects better than expected collections of sales, documentary stamp, intangibles taxes and corporate taxes.

***The outlook for the State's credit rating is stable.*** The rating agencies note that the State's debt burden has increased significantly to meet the demands of a growing population. However, the debt burden is still considered moderate at the current level. A positive factor cited in rating reports is the formal process established by the legislature for evaluating the State's debt position through this Debt Affordability Report. However, significant challenges to the State's positive outlook are presented by the constitutional amendment on class-size reduction and increased budgetary pressure from Medicaid spending.

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## CONCLUSION

Florida's debt increased \$1.3 billion over the past year, growing slightly less than the ten-year average of \$1.6 billion. The expected future debt issuance over the next ten years totals \$9.6 billion, approximately the same as the expected debt issuance from last year. The expected debt issuance does not include any additional bonding authorizations to fund class-size reduction.

***The benchmark debt ratio was 5.36% at June 30, 2005, under the 6% target.*** The improvement in the benchmark ratio is due to higher revenues, less additional debt and refinancings to lower debt service requirements. The benchmark debt ratio is projected to remain reasonably consistent with the 6% target during the foreseeable future, based on the expected debt issuance and current revenue forecasts.

The projected debt capacity available over the next ten years within the 6% target is \$16.7 billion, but only \$1.6 billion is available over the next three years. The projected debt capacity available over the next ten years within the 7% cap is approximately \$23.6 billion. However, only \$6.4 billion is available over the next three years within the 7% cap. ***The available debt capacity within the 6% target and 7% cap has increased significantly since last year because of higher revenue estimates reflecting a strengthening economy.*** The debt capacity available between the 6% target and 7% cap should be viewed as a cushion against downturns in the economy and used only sparingly for critical needs.

The State's general fund reserves were increased significantly during Fiscal Year 2005 to approximately \$4.6 billion or 18.3% of general fund revenues. ***The increased reserves is a product of the State's conservative financial management and has strengthened the State's financial position.*** It has also distinguished Florida from other states and demonstrated the ability to effectively manage the State during a difficult recessionary period.

Florida's debt is considered moderate and is manageable at the current level. ***However, the State continues to face the challenge of funding the constitutional amendment to reduce class size which, if financed, could cause the benchmark debt ratio to exceed the 6% target.***



***Department of Highway Safety  
and Motor Vehicles***

***2006 Legislative Proposals***

<b>Issues</b>	<b>Current Situation</b>	<b>Proposed Change</b>	<b>Justification</b>
Settlement of taxes and Penalties or Interest	<p>Section 207.021, F.S., only allows the department to settle or compromise penalties or interest imposed under Chapter 207, F.S., and the section requires the department to use Section 213.21, F.S., which relates to the Department of Revenue in settling or compromising such penalties or interest. Also, there is no authority in Chapter 207, F.S., for the department to conduct informal conferences for the resolution of disputes arising from the assessment of taxes, penalties, or interest.</p>	<p>This change would delete the reference to Section 213.21, F.S. It would provide the department with the authority to adopt rules for conducting informal conferences in order to resolve taxpayer disputes arising from audit assessments. This change would include taxes in addition to penalties and interest as to what can be settled or compromised by the department. In addition, this change would authorize the executive director of the department or his or her designee to enter into closing agreements with any taxpayer to settle or compromise taxpayer liabilities for any taxes, penalties, or interest imposed under Chapter 207, F.S., and would prohibit the department from imposing an additional assessment upon a taxpayer after a closing agreement has been entered into.</p>	<p>This change would give the department the necessary authority in the correct chapter of law to carry out its duties.</p>
REAL ID Act	<p>Current law does not have all specifications mentioned in the REAL ID Act.</p>	<p>Definitional changes and changes in terms of licenses.</p>	<p>Florida law would better mirror the newly enact federal legislation.</p>

<b>Issues</b>	<b>Current Situation</b>	<b>Proposed Change</b>	<b>Justification</b>
Driving with an Unlawful Blood/Breath Alcohol Level (DUBAL)	When an individual is arrested for a violation of s. 316.193, Florida Statutes, and has an unlawful blood or breath level of .08 or higher or refuses to submit to a breath, blood, or urine test when requested by a law enforcement officer, the individual's driving privilege is suspended at the time of arrest.	This change would remove the requirement for an arrest for a violation of s. 316.193, Florida Statutes, clarify what individuals can be subpoenaed to a Formal Review of the suspension, and provide clarification as to blood alcohol and breath alcohol levels.	These changes will provide clarifications to the statute. This will also provide consistency between ss. 322.2615 and 322.2616, Florida Statutes. These changes will also address issues raised by courts in cases involving the department's implementation of this section.
Motorcycle Riders	Currently, Florida law only requires those riders under 21 who seek to obtain a motorcycle endorsement on their license to attend a motorcycle safety education course. Further, drivers under 21 are required to wear helmets while riding their motorcycle.	This proposal would require all applicants for a motorcycle endorsement to attend the motorcycle safety education course. In addition, no original motorcycle license plates could be issued without proof that the registrant has the proper endorsement, as well as require registrants under 21 to obtain a license plate that is unique in color and design.	Due to the rise in popularity of motorcycles, the increase in traffic on Florida's roadways, and other mitigating factors fatalities among motorcyclist have risen in Florida. Statistics show that within the last two years, fatalities among those riders completing the Florida Rider Training Course are dramatically lower.
Identification Cards	Florida law only allows children 12 and over to obtain a State of Florida identification card.	This change would allow children five and over to apply for an identification card.	Parents of young children have been encouraged by law enforcement officials to maintain current photographs and identification documents for their children as a precautionary measure.

Issues	Current Situation	Proposed Change	Justification
Address Change	Under current law, drivers wishing to change the address on their license must pay \$10 to obtain a replacement license with the new address.	This proposal would eliminate the address change fee.	According to the U.S. Census Bureau, 14% of Americans move annually. Our own statistics show that of all driver license customers eligible to utilize a convenience service for their renewal who chose to come to the office, a full 40% requested an address change in conjunction with their renewal. It would appear that customers are not receiving their renewal notice because the address on record is incorrect.

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1                                    A bill to be entitled  
2        An act relating to motor vehicles; amending s. 207.008,  
3        F.S.; revising requirements for motor carrier to retain  
4        certain records as required by the Department of Highway  
5        Safety and Motor Vehicles for tax purposes; amending s.  
6        207.021, F.S.; providing for informal conferences to  
7        resolve disputes arising from the assessment of taxes,  
8        penalties, or interest, or the denial of refunds;  
9        providing rulemaking authority; providing for settlement  
10       of taxpayer liability; amending s. 320.405, F.S.;  
11       providing for authorization for certain agreements related  
12       to International Registration Plan; amending s. 322.01,  
13       F.S.; revising the definition of "driver's license";  
14       defining "identification card" and "temporary driver  
15       license" or "temporary identification card"; amending s.  
16       322.08, F.S.; revising criteria related to proof of  
17       identity and status of applicant for a driver's license;  
18       providing for electronic verification of documents;  
19       amending s. 322.051, F.S.; revising criteria related to  
20       proof of identity and status of applicant for an  
21       identification card; providing for electronic verification  
22       of documents; amending s. 322.2615, F.S.; revising  
23       provisions for suspension of driver licenses and review of  
24       suspension by the department; amending s. 316.211, F.S.;  
25       requiring motorcycles registered to persons who have not  
26       attained 21 years of age to display a license plate that  
27       is unique in design and color; amending s. 320.02, F.S.;  
28       requiring proof of required endorsement on driver license  
29       as a condition for original registration of a motorcycle,



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motor-driven cycle, or moped; amending s. 322.12, F.S.;  
revising requirements for first-time applicant for  
licensure to operate a motorcycle; amending s. 322.051,  
F.S.; revising age requirements for issuance of  
identification cards; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 207.008, Florida Statutes, is amended to  
read:

207.008 Retention of records by motor carrier.--Each  
registered motor carrier shall maintain and keep pertinent  
records and papers as may be required by the department for the  
reasonable administration of this chapter and shall preserve the  
records upon which each quarterly tax return is based for 4 years  
after the due date or filing date of the return, whichever is  
later ~~such records as long as required by s. 213.35.~~

Section 2. Section 207.021, Florida Statutes, is amended to  
read:

207.021 Informal conferences; settlement or compromise of  
taxes, penalties, or interest.--~~The department may settle or~~  
~~compromise, pursuant to s. 213.21, penalties or interest imposed~~  
~~under this chapter.~~

(1)(a) The department may adopt rules pursuant to ss.  
120.536(1) and 120.54 for establishing informal conferences to  
resolve disputes arising from the assessment of taxes, penalties,  
or interest, or the denial of refunds.

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(b) During any proceeding arising under this section, the motor carrier has the right to be represented at and record all procedures at the motor carrier's expense.

(2)(a) The executive director or his or her designee is authorized to enter into closing agreements with any taxpayer settling or compromising the taxpayer's liability for any tax, interest, or penalty assessed under this chapter. Such agreements shall be in writing and must be in the form of a closing agreement approved by the department and signed by the executive director or his or her designee. It shall be final and conclusive; except upon a showing of material fraud or misrepresentation of material fact. No additional assessment may be made by the department against the taxpayer for the tax, interest, or penalty specified in the closing agreement for the time specified in the closing agreement, and the taxpayer shall not be entitled to institute any judicial or administrative proceeding to recover any tax, interest, or penalty paid pursuant to the closing agreement. The executive director of the department or his or her designee is authorized to approve any such closing agreement.

(b) Notwithstanding the provisions of paragraph (a), for the purpose of settling and compromising the liability of any taxpayer for tax or interest on the grounds of doubt as to liability based on the taxpayer's reasonable reliance on a written determination issued by the department, the department may compromise the amount of such tax or interest resulting from such reasonable reliance.

(3) A taxpayer's liability for any tax or interest specified in this chapter may be compromised by the department

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upon the grounds of doubt as to liability for or the ability  
collect such tax or interest. Doubt as to the liability of a  
taxpayer for tax and interest exists if the taxpayer demonstrates  
that he or she reasonably relied on a written determination of  
the department.

(4) A taxpayer's liability for any tax or interest under  
this chapter shall be settled or compromised in whole or in part  
whenever or to the extent allowable under the International Fuel  
Tax Agreement Articles of Agreement.

(5) A taxpayer's liability for penalties under this chapter  
may be settled or compromised if it is determined by the  
department that the noncompliance is due to reasonable cause and  
not to willful negligence, willful neglect, or fraud.

(6) The department is authorized to enter into agreements  
for scheduling payments of taxes, penalties, and interest due to  
the department as a result of audit assessments issued under this  
chapter.

Section 3. Subsection (5) is added to section 320.405,  
 Florida Statutes, to read:

320.405 International Registration Plan; inspection of  
 records; hearings.--

(5) The department is authorized to enter into agreements  
for scheduling payments of taxes and penalties due to the  
department as a result of audit assessments issued under this  
section.

Section 4. Subsection (16) of section 322.01, Florida  
 Statutes, is amended, and subsections (43) and (44) are added to  
 that section, to read:

322.01 Definitions.--As used in this chapter:

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(16) "Driver's license" means a certificate which, subject to all other requirements of law, authorizes an individual to drive a motor vehicle, and which denotes an operator's license as defined in 49 U.S.C. s. 30301.

(43) "Identification card" means a personal identification card issued by the department and which conforms to the definition in 18 U.S.C. s. 1028(D).

(44) "Temporary driver license" or "temporary identification card" means a certificate which, subject to all other requirements of law, issued by the department, and which authorizes an individual to drive a motor vehicle, and which denotes an operator's license as defined in 49 U.S.C. s. 30301, or a personal identification card, issued by the department, and which conforms to the definition in 18 U.S.C. s. 1028(D), and which denotes that the holder is permitted to stay for a short duration of time specified in the document so issued and is not a permanent resident of the United States.

Section 5. Paragraph (c) of subsection (2) of section 322.08, Florida Statutes, is amended to read:

322.08 Application for license.--

(2) Each such application shall include the following information regarding the applicant:

(c) Proof of identity satisfactory to the department. Such proof must include one of the following documents issued to the applicant:

1. A driver's license record or identification card record from another jurisdiction that required the applicant to submit a document for identification which is substantially similar to a document required under subparagraph 2., subparagraph 3.,

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144 subparagraph 4., subparagraph 5., subparagraph 6., or  
 145 subparagraph 7.;

146       2. A certified copy of a United States birth certificate;  
 147       3. A United States passport;  
 148       4. A naturalization certificate issued by the United States  
 149 Department of Homeland Security;  
 150       5. An alien registration receipt card (green card);  
 151       6. An employment authorization card issued by the United  
 152 States Department of Homeland Security; or  
 153       7. Proof of nonimmigrant classification provided by the  
 154 United States Department of Homeland Security, for an original  
 155 driver's license. In order to prove nonimmigrant classification,  
 156 an applicant may produce the following documents, including, but  
 157 not limited to:

158       a. A notice of hearing from an immigration court scheduling  
 159 a hearing on any proceeding.  
 160       b. A notice from the Board of Immigration Appeals  
 161 acknowledging pendency of an appeal.  
 162       c. A notice of the approval of an application for  
 163 adjustment of status issued by the United States Immigration and  
 164 Naturalization Service.  
 165       d. Any official documentation confirming the filing of a  
 166 petition for asylum or refugee status or any other relief issued  
 167 by the United States Immigration and Naturalization Service.  
 168       e. A notice of action transferring any pending matter from  
 169 another jurisdiction to this state issued by the United States  
 170 Immigration and Naturalization Service.

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f. An order of an immigration judge or immigration officer granting any relief that authorizes the alien to live and work in the United States, including, but not limited to, asylum.

g. Evidence that an application is pending for adjustment of status to that of an alien lawfully admitted for permanent residence in the United States or conditional permanent resident status in the United States, provided a visa number is available with a current priority date for processing by the United States Citizenship and Immigration Services.

Presentation of any of the documents in subparagraph 6. or subparagraph 7. entitles the applicant to a driver's license or temporary permit for a period not to exceed the expiration date of the document presented or 1 year ~~2 years~~, whichever occurs first.

(7) Before issuing a driver's license, the department shall verify, electronically, the validity of each document received in support of an application for a license, whether such document is domestic or foreign, as to the validity and status of such document as applicable, provided the issuing agency has reciprocal capability for such electronic verification, or as soon as such capability is made available thereafter. The department shall maintain periodic communication as necessary for making such determination.

Section 6. Paragraph (a) of subsection (1) of section 322.051, Florida Statutes, is amended to read:

322.051 Identification cards.--

(1) Any person who is 12 years of age or older, or any person who has a disability, regardless of age, who applies for a

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disabled parking permit under s. 320.0848, may be issued an identification card by the department upon completion of an application and payment of an application fee.

(a) Each such application shall include the following information regarding the applicant:

1. Full name (first, middle or maiden, and last), gender, social security card number, county of residence and mailing address, country of birth, and a brief description.

2. Proof of birth date satisfactory to the department.

3. Proof of identity satisfactory to the department. Such proof must include one of the following documents issued to the applicant:

a. A driver's license record or identification card record from another jurisdiction that required the applicant to submit a document for identification which is substantially similar to a document required under sub-subparagraph b., sub-subparagraph c., sub-subparagraph d., sub-subparagraph e., sub-subparagraph f., or sub-subparagraph g.;

b. A certified copy of a United States birth certificate;

c. A United States passport;

d. A naturalization certificate issued by the United States Department of Homeland Security;

e. An alien registration receipt card (green card);

f. An employment authorization card issued by the United States Department of Homeland Security; or

g. Proof of nonimmigrant classification provided by the United States Department of Homeland Security, for an original identification card. In order to prove such nonimmigrant

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228 classification, applicants may produce but are not limited to the  
229 following documents:

230 (I) A notice of hearing from an immigration court  
231 scheduling a hearing on any proceeding.

232 (II) A notice from the Board of Immigration Appeals  
233 acknowledging pendency of an appeal.

234 (III) Notice of the approval of an application for  
235 adjustment of status issued by the United States Bureau of  
236 Citizenship and Immigration Services.

237 (IV) Any official documentation confirming the filing of a  
238 petition for asylum status or any other relief issued by the  
239 United States Bureau of Citizenship and Immigration Services.

240 (V) Notice of action transferring any pending matter from  
241 another jurisdiction to Florida, issued by the United States  
242 Bureau of Citizenship and Immigration Services.

243 (VI) Order of an immigration judge or immigration officer  
244 granting any relief that authorizes the alien to live and work in  
245 the United States including, but not limited to asylum.

246 (VII) Evidence that an application is pending for  
247 adjustment of status to that of an alien lawfully admitted for  
248 permanent residence in the United States or conditional permanent  
249 resident status in the United States, provided a visa number is  
250 available with a current priority date for processing by the  
251 United States Citizenship and Immigration Services.

252  
253 Presentation of any of the documents described in sub-  
254 subparagraph f. or sub-subparagraph g. entitles the applicant to  
255 an identification card for a period not to exceed the expiration



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date of the document presented or 1 year ~~2 years~~, whichever first occurs.

(9) Before issuing an identification card, the department shall electronically verify the validity of each document received in support of an application for an identification card, whether such document is domestic or foreign, as to the validity and status of such document as applicable, provided the issuing agency has reciprocal capability for such electronic verification. If such verification is not possible due to the issuing agency not having appropriate technology or equipment, such verification shall be completed by the department as soon as such technology is available and the issuing agency. The department shall maintain such communication as necessary for making such determination.

Section 7. Section 322.2615, Florida Statutes, is amended to read:

322.2615 Suspension of license; right to review.--

(1)(a) A law enforcement officer or correctional officer shall, on behalf of the department, suspend the driving privilege of a person who is driving or in actual physical control of a motor vehicle with an ~~has been arrested by a law enforcement officer for a violation of s. 316.193, relating to unlawful blood-alcohol level or breath-alcohol level of 0.08 or higher,~~ or of a person who has refused to submit to a ~~breath, urine, or blood test, authorized by s. 316.1932.~~ or a test of his or her breath-alcohol or blood-alcohol level. The officer shall take the person's driver's license and issue the person a 10-day temporary permit if the person is otherwise eligible for the driving privilege and shall issue the person a notice of suspension. If a

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285 blood test has been administered, ~~or the results of which are not~~  
 286 ~~available to the officer at the time of the arrest,~~ the agency  
 287 employing the officer shall transmit such results to the  
 288 department within 5 days after receipt of the results. If the  
 289 department then determines that the person ~~was arrested for a~~  
 290 ~~violation of s. 316.193 and that the person~~ had a blood-alcohol  
 291 level or breath-alcohol level of 0.08 or higher, the department  
 292 shall suspend the person's driver's license pursuant to  
 293 subsection (3).

294 (b) The suspension under paragraph (a) shall be pursuant  
 295 to, and the notice of suspension shall inform the driver of, the  
 296 following:

297 1.a. The driver refused to submit to a lawful breath,  
 298 blood, or urine test and his or her driving privilege is  
 299 suspended for a period of 1 year for a first refusal or for a  
 300 period of 18 months if his or her driving privilege has been  
 301 previously suspended as a result of a refusal to submit to such a  
 302 test; or

303 b. The driver was driving or in actual physical control of  
 304 a motor vehicle ~~violated s. 316.193 by driving~~ with an unlawful  
 305 blood-alcohol level or breath-alcohol level of 0.08 or higher ~~as~~  
 306 ~~provided in that section~~ and his or her driving privilege is  
 307 suspended for a period of 6 months for a first offense or for a  
 308 period of 1 year if his or her driving privilege has been  
 309 previously suspended under this section ~~for a violation of s.~~  
 310 ~~316.193.~~

311 2. The suspension period shall commence on the date of  
 312 ~~arrest or~~ issuance of the notice of suspension, ~~whichever is~~  
 313 ~~later.~~

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3. The driver may request a formal or informal review of the suspension by the department within 10 days after the date of ~~arrest or~~ issuance of the notice of suspension, ~~whichever is later.~~

4. The temporary permit issued at the time of arrest will expire at midnight of the 10th day following the date of ~~arrest or~~ issuance of the notice of suspension, ~~whichever is later.~~

5. The driver may submit to the department any materials relevant to the suspension ~~arrest.~~

(2) Except as provided in paragraph (1)(a), the law enforcement officer shall forward to the department, within 5 days after issuing ~~the date of the arrest,~~ a copy of the notice of suspension, the driver's license ~~of the person arrested, and a report of the arrest,~~ including an affidavit stating the officer's grounds for belief that the person was driving or in actual physical control of a motor vehicle while under the influence of alcoholic beverages, or chemical or controlled substances ~~arrested was in violation of s. 316.193;~~ the results of any breath or blood test or an affidavit stating that a breath, blood, or urine test was requested by a law enforcement officer or correctional officer and that the person ~~arrested~~ refused to submit; ~~a copy of the citation issued to the person arrested;~~ and the officer's description of the person's field sobriety test, if any, and a copy of the crash report, if any. The failure of the officer to submit materials within the 5-day period specified in this subsection and in subsection (1) shall not affect the department's ability to consider any evidence submitted at or prior to the hearing. The officer may also submit a copy of a videotape of the field sobriety test or the attempt

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343 | to administer such test. Materials submitted to the department by  
 344 | a law enforcement agency or correctional agency shall be  
 345 | considered self-authenticating and shall be in the record for  
 346 | consideration by the hearing officer. Notwithstanding  
 347 | s.316.066(4), the crash report shall be considered by the hearing  
 348 | officer.

349 |       (3) If the department determines that the license ~~of the~~  
 350 | ~~person arrested~~ should be suspended pursuant to this section and  
 351 | if the notice of suspension has not already been served upon the  
 352 | person by a law enforcement officer or correctional officer as  
 353 | provided in subsection (1), the department shall issue a notice  
 354 | of suspension and, unless the notice is mailed pursuant to s.  
 355 | 322.251, a temporary permit which expires 10 days after the date  
 356 | of issuance if the driver is otherwise eligible.

357 |       (4) If the person suspended ~~arrested~~ requests an informal  
 358 | review pursuant to subparagraph (1)(b)3., the department shall  
 359 | conduct the informal review by a hearing officer employed by the  
 360 | department. Such informal review hearing shall consist solely of  
 361 | an examination by the department of the materials submitted by a  
 362 | law enforcement officer or correctional officer and by the person  
 363 | suspended ~~arrested~~, and the presence of an officer or witness is  
 364 | not required.

365 |       (5) After completion of the informal review, notice of the  
 366 | department's decision sustaining, amending, or invalidating the  
 367 | suspension of the driver's license of the person suspended  
 368 | ~~arrested~~ must be provided to such person. Such notice must be  
 369 | mailed to the person at the last known address shown on the  
 370 | department's records, or to the address provided in the law  
 371 | enforcement officer's report if such address differs from the

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address of record, within 21 days after the expiration of the temporary permit issued pursuant to subsection (1) or subsection (3).

(6)(a) If the person suspended ~~arrested~~ requests a formal review, the department must schedule a hearing to be held within 30 days after such request is received by the department and must notify the person of the date, time, and place of the hearing.

(b) Such formal review hearing shall be held before a hearing officer employed by the department, and the hearing officer shall be authorized to administer oaths, examine witnesses and take testimony, receive relevant evidence, issue subpoenas for the officers and witnesses identified in documents in subsection (2), regulate the course and conduct of the hearing, question witnesses, and make a ruling on the suspension. The ~~department and the person arrested may subpoena witnesses,~~ and the party requesting the presence of a witness shall be responsible for the payment of any witness fees and for notifying in writing the state attorney's office in the appropriate circuit of the issuance of the subpoena. If the person who requests a formal review hearing fails to appear and the hearing officer finds such failure to be without just cause, the right to a formal hearing is waived and the suspension shall be sustained.

(c) A party may seek enforcement of a subpoena under paragraph (b) by filing a petition for enforcement in the circuit court of the judicial circuit in which the person failing to comply with the subpoena resides. A failure to comply with an order of the court shall result in a finding of contempt of court. However, a person shall not be in contempt while a subpoena is being challenged.

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401           (d) The department must, within 7 working days after a  
402 formal review hearing, send notice to the person of the hearing  
403 officer's decision as to whether sufficient cause exists to  
404 sustain, amend, or invalidate the suspension.

405           (7) In a formal review hearing under subsection (6) or an  
406 informal review hearing under subsection (4), the hearing officer  
407 shall determine by a preponderance of the evidence whether  
408 sufficient cause exists to sustain, amend, or invalidate the  
409 suspension. The scope of the review shall be limited to the  
410 following issues:

411           (a) If the license was suspended for driving with an  
412 unlawful blood-alcohol level or breath-alcohol level of 0.08 or  
413 higher ~~in violation of s. 316.193:~~

414           1. Whether the ~~arresting~~ law enforcement officer had  
415 probable cause to believe that the person suspended was driving  
416 or in actual physical control of a motor vehicle in this state  
417 while under the influence of alcoholic beverages or chemical or  
418 controlled substances.

419           2. Whether the person was placed under lawful arrest for a  
420 violation of s. 316.193.

421           3. Whether the person suspended had an unlawful blood-  
422 alcohol level or breath-alcohol level of 0.08 or higher as  
423 provided in s. 316.193.

424           (b) If the license was suspended for refusal to submit to a  
425 breath, blood, or urine test:

426           1. Whether the ~~arresting~~ law enforcement officer had  
427 probable cause to believe that the person suspended was driving  
428 or in actual physical control of a motor vehicle in this state  
429 while under the influence of alcoholic beverages or chemical or

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controlled substances.

~~2. Whether the person was placed under lawful arrest for a violation of s. 316.193.~~

~~2.3.~~ Whether the person suspended refused to submit to any such test after being requested to do so by a law enforcement officer or correctional officer.

~~3.4.~~ Whether the person suspended was told that if he or she refused to submit to such test his or her privilege to operate a motor vehicle would be suspended for a period of 1 year or, in the case of a second or subsequent refusal, for a period of 18 months.

(8) Based on the determination of the hearing officer pursuant to subsection (7) for both informal hearings under subsection (4) and formal hearings under subsection (6), the department shall:

(a) Sustain the suspension of the person's driving privilege for a period of 1 year for a first refusal, or for a period of 18 months if the driving privilege of such person has been previously suspended as a result of a refusal to submit to such tests, if the ~~arrested~~ person refused to submit to a lawful breath, blood, or urine test. The suspension period commences on the date of ~~the arrest or~~ issuance of the notice of suspension, ~~whichever is later.~~

(b) Sustain the suspension of the person's driving privilege for a period of 6 months for a blood-alcohol level or breath-alcohol level of 0.08 or higher ~~a violation of s. 316.193,~~ or for a period of 1 year if the driving privilege of such person has been previously suspended under this section as a result of driving with an unlawful alcohol level ~~a violation of s. 316.193.~~

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459    The suspension period commences on the date of ~~the arrest or~~  
460    issuance of the notice of suspension, ~~whichever is later.~~

461            (9)    A request for a formal review hearing or an informal  
462    review hearing shall not stay the suspension of the person's  
463    driver's license. If the department fails to schedule the formal  
464    review hearing to be held within 30 days after receipt of the  
465    request therefor, the department shall invalidate the suspension.  
466    If the scheduled hearing is continued at the department's  
467    initiative, the department shall issue a temporary driving permit  
468    which shall be valid until the hearing is conducted if the person  
469    is otherwise eligible for the driving privilege. Such permit  
470    shall not be issued to a person who sought and obtained a  
471    continuance of the hearing. The permit issued under this  
472    subsection shall authorize driving for business or employment use  
473    only.

474            (10)   A person whose driver's license is suspended under  
475    subsection (1) or subsection (3) may apply for issuance of a  
476    license for business or employment purposes only if the person is  
477    otherwise eligible for the driving privilege pursuant to s.  
478    322.271.

479            (a)    If the suspension of the driver's license of the person  
480    for failure to submit to a breath, urine, or blood test is  
481    sustained, the person is not eligible to receive a license for  
482    business or employment purposes only, pursuant to s. 322.271,  
483    until 90 days have elapsed after the expiration of the last  
484    temporary permit issued. If the driver is not issued a 10-day  
485    permit pursuant to this section or s. 322.64 because he or she is  
486    ineligible for the permit and the suspension for failure to  
487    submit to a breath, urine, or blood test is not invalidated by



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488 the department, the driver is not eligible to receive a business  
489 or employment license pursuant to s. 322.271 until 90 days have  
490 elapsed from the date of the suspension.

491 (b) If the suspension of the driver's license of the person  
492 ~~arrested for a violation of s. 316.193~~, relating to unlawful  
493 blood-alcohol level or breath-alcohol level of 0.08 or higher, is  
494 sustained, the person is not eligible to receive a license for  
495 business or employment purposes only pursuant to s. 322.271 until  
496 30 days have elapsed after the expiration of the last temporary  
497 permit issued. If the driver is not issued a 10-day permit  
498 pursuant to this section or s. 322.64 because he or she is  
499 ineligible for the permit and the suspension ~~for a violation of~~  
500 ~~s. 316.193~~, relating to unlawful blood-alcohol level or breath-  
501 alcohol level of 0.08 or higher, is not invalidated by the  
502 department, the driver is not eligible to receive a business or  
503 employment license pursuant to s. 322.271 until 30 days have  
504 elapsed from the date of the suspension ~~arrest~~.

505 (11) The formal review hearing may be conducted upon a  
506 review of the reports of a law enforcement officer or a  
507 correctional officer, including documents relating to the  
508 administration of a breath test or blood test or the refusal to  
509 take either test or the refusal to take a urine test. However, as  
510 provided in subsection (6), the driver may subpoena the officer  
511 or any person who administered or analyzed a breath or blood  
512 test.

513 (12) The formal review hearing and the informal review  
514 hearing are exempt from the provisions of chapter 120. The  
515 department is authorized to adopt rules for the conduct of  
516 reviews under this section.

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517           (13) A person may appeal any decision of the department  
518 sustaining a suspension of his or her driver's license by a  
519 petition for writ of certiorari to the circuit court in the  
520 county wherein such person resides or wherein a formal or  
521 informal review was conducted pursuant to s. 322.31. However, an  
522 appeal shall not stay the suspension. A law enforcement agency  
523 may appeal any decision of the department invalidating a  
524 suspension by a petition for writ of certiorari to the circuit  
525 court in the county where a formal or informal review was  
526 conducted. This subsection shall not be construed to provide for  
527 a de novo appeal.

528           (14)(a) The decision of the department under this section  
529 or any circuit court review thereof may not be considered in any  
530 trial for a violation of s. 316.193, and a written statement  
531 submitted by a person in his or her request for departmental  
532 review under this section may not be admitted into evidence  
533 against him or her in any such trial.

534           (b) The disposition of any related criminal proceedings  
535 does not affect a suspension for refusal to submit to a blood,  
536 breath, or urine test, ~~authorized by s. 316.1932 or s. 316.1933,~~  
537 imposed under this section.

538           (15) If the department suspends a person's license under s.  
539 322.2616, it may not also suspend the person's license under this  
540 section for the same episode that was the basis for the  
541 suspension under s. 322.2616.

542           (16) The department shall invalidate a suspension for  
543 driving with an unlawful blood-alcohol level or breath-alcohol  
544 level imposed under this section if the suspended person is found  
545 not guilty at trial of an underlying violation of s. 316.193.

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546           Section 8.   Section 316.211, Florida Statutes, is amended to  
547 read:

548           316.211   Equipment for motorcycle and moped riders.--

549           (1)   A person may not operate or ride upon a motorcycle  
550 unless the person is properly wearing protective headgear  
551 securely fastened upon his or her head which complies with  
552 Federal Motorcycle Vehicle Safety Standard 218 promulgated by the  
553 United States Department of Transportation. The Department of  
554 Highway Safety and Motor Vehicles shall adopt this standard by  
555 agency rule.

556           (2)   A person may not operate a motorcycle unless the person  
557 is wearing an eye-protective device over his or her eyes of a  
558 type approved by the department.

559           (3)(a)   This section does not apply to persons riding within  
560 an enclosed cab or to any person 16 years of age or older who is  
561 operating or riding upon a motorcycle powered by a motor with a  
562 displacement of 50 cubic centimeters or less or is rated not in  
563 excess of 2 brake horsepower and which is not capable of  
564 propelling such motorcycle at a speed greater than 30 miles per  
565 hour on level ground.

566           (b)   Notwithstanding subsection (1), a person over 21 years  
567 of age may operate or ride upon a motorcycle without wearing  
568 protective headgear securely fastened upon his or her head if  
569 such person is covered by an insurance policy providing for at  
570 least \$10,000 in medical benefits for injuries incurred as a  
571 result of a crash while operating or riding on a motorcycle.

572           (4)   A person under 16 years of age may not operate or ride  
573 upon a moped unless the person is properly wearing protective  
574 headgear securely fastened upon his or her head which complies

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with Federal Motorcycle Vehicle Safety Standard 218 promulgated by the United States Department of Transportation.

(5) The department shall make available a list of protective headgear approved in this section, and the list shall be provided on request.

(6) Motorcycles registered to persons who have not attained 21 years of age shall display a license plate that is unique in design and color.

~~(7)~~(6) A violation of this section is a noncriminal traffic infraction, punishable as a nonmoving violation as provided in chapter 318.

Section 9. Subsection (1) of section 320.02, Florida Statutes, is amended to read:

320.02 Registration required; application for registration; forms.--

(1) Except as otherwise provided in this chapter, every owner or person in charge of a motor vehicle which is operated or driven on the roads of this state shall register the vehicle in this state. The owner or person in charge shall apply to the department or to its authorized agent for registration of each such vehicle on a form prescribed by the department. Prior to an original registration of any motorcycle, motor-driven cycle, or moped, the owner shall present proof that he or she has obtained the necessary endorsement as required in s. 322.57. No registration is required for any motor vehicle which is not operated on the roads of this state during the registration period.

Section 10. Paragraph (a) of subsection (5) of section 322.12, Florida Statutes, is amended to read:

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604           322.12 Examination of applicants.--  
605           (5)(a) The department shall formulate a separate  
606 examination for applicants for licenses to operate motorcycles.  
607 Any applicant for a driver's license who wishes to operate a  
608 motorcycle, and who is otherwise qualified, must successfully  
609 complete such an examination, which is in addition to the  
610 examination administered under subsection (3). The examination  
611 must test the applicant's knowledge of the operation of a  
612 motorcycle and of any traffic laws specifically relating thereto  
613 and must include an actual demonstration of his or her ability to  
614 exercise ordinary and reasonable control in the operation of a  
615 motorcycle. Any applicant who fails to pass the initial knowledge  
616 examination will incur a \$5 fee for each subsequent examination,  
617 to be deposited into the Highway Safety Operating Trust Fund. Any  
618 applicant who fails to pass the initial skills examination will  
619 incur a \$10 fee for each subsequent examination, to be deposited  
620 into the Highway Safety Operating Trust Fund. In the formulation  
621 of the examination, the department shall consider the use of the  
622 Motorcycle Operator Skills Test and the Motorcycle in Traffic  
623 Test offered by the Motorcycle Safety Foundation. The department  
624 shall indicate on the license of any person who successfully  
625 completes the examination that the licensee is authorized to  
626 operate a motorcycle. If the applicant wishes to be licensed to  
627 operate a motorcycle only, he or she need not take the skill or  
628 road test required under subsection (3) for the operation of a  
629 motor vehicle, and the department shall indicate such a  
630 limitation on his or her license as a restriction. Every first-  
631 time applicant for licensure to operate a motorcycle ~~who is under~~  
632 ~~21 years of age~~ must provide proof of completion of a motorcycle

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633 safety course, as provided for in s. 322.0255, before the  
634 applicant may be licensed to operate a motorcycle.

635 Section 11. Subsection (1) of section 322.051, Florida  
636 Statutes, is amended to read:

637 322.051 Identification cards.--

638 (1) Any person who is 5 ~~12~~ years of age or older, or any  
639 person who has a disability, regardless of age, who applies for a  
640 disabled parking permit under s. 320.0848, may be issued an  
641 identification card by the department upon completion of an  
642 application and payment of an application fee.

643 (a) Each such application shall include the following  
644 information regarding the applicant:

645 1. Full name (first, middle or maiden, and last), gender,  
646 social security card number, county of residence and mailing  
647 address, country of birth, and a brief description.

648 2. Proof of birth date satisfactory to the department.

649 3. Proof of identity satisfactory to the department. Such  
650 proof must include one of the following documents issued to the  
651 applicant:

652 a. A driver's license record or identification card record  
653 from another jurisdiction that required the applicant to submit a  
654 document for identification which is substantially similar to a  
655 document required under sub-subparagraph b., sub-subparagraph c.,  
656 sub-subparagraph d., sub-subparagraph e., sub-subparagraph f., or  
657 sub-subparagraph g.;

658 b. A certified copy of a United States birth certificate;

659 c. A United States passport;

660 d. A naturalization certificate issued by the United States  
661 Department of Homeland Security;

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662           e. An alien registration receipt card (green card);  
663           f. An employment authorization card issued by the United  
664 States Department of Homeland Security; or  
665           g. Proof of nonimmigrant classification provided by the  
666 United States Department of Homeland Security, for an original  
667 identification card. In order to prove such nonimmigrant  
668 classification, applicants may produce but are not limited to the  
669 following documents:  
670           (I) A notice of hearing from an immigration court  
671 scheduling a hearing on any proceeding.  
672           (II) A notice from the Board of Immigration Appeals  
673 acknowledging pendency of an appeal.  
674           (III) Notice of the approval of an application for  
675 adjustment of status issued by the United States Bureau of  
676 Citizenship and Immigration Services.  
677           (IV) Any official documentation confirming the filing of a  
678 petition for asylum status or any other relief issued by the  
679 United States Bureau of Citizenship and Immigration Services.  
680           (V) Notice of action transferring any pending matter from  
681 another jurisdiction to Florida, issued by the United States  
682 Bureau of Citizenship and Immigration Services.  
683           (VI) Order of an immigration judge or immigration officer  
684 granting any relief that authorizes the alien to live and work in  
685 the United States including, but not limited to asylum.  
686  
687 Presentation of any of the documents described in sub-  
688 subparagraph f. or sub-subparagraph g. entitles the applicant to  
689 an identification card for a period not to exceed the expiration

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690 | date of the document presented or 2 years, whichever first  
691 | occurs.

692 |       (b) An application for an identification card must be  
693 | signed and verified by the applicant in a format designated by  
694 | the department before a person authorized to administer oaths.  
695 | The fee for an identification card is \$3, including payment for  
696 | the color photograph or digital image of the applicant.

697 |       (c) Each such applicant may include fingerprints and any  
698 | other unique biometric means of identity.

699 |       Section 12. This act shall take effect July 1, 2006.





# 2006 PROPOSED TRANSPORTATION LEGISLATION

11/29/05

These proposals have been submitted by FDOT, the MPO Advisory Council, and TEAM-Florida, representing the expressway authorities.

Issue	Current Law	Proposed Changes	Justification
<b>FDOT</b>  Turnpike bond cap	Section 338.2275(1), F.S., caps the Florida Turnpike Enterprise's total bond issuance at \$4.5 billion.  FDOT says that because of this cap, the Turnpike's ability to raise funds for projects is exhausted after the year 2010.	The draft legislation would: -- Raise the bond cap from \$4.5 billion to \$6 billion. -- Change the limitation from a maximum amount "issued" to a maximum amount "outstanding." This creates what could be described as a line of credit for the Turnpike Enterprise, because paying off existing debt gives it the ability to issue new bonds, with the approval of the State Board of Administration.	These changes in the law are expected to generate enough money to fund \$906 million in various Turnpike projects and to add about 101 lane miles to the Florida Turnpike System.
<b>MPOAC</b>  Administrative issues	Section 339.175, F.S., creates M.P.O.'s within Florida for the broad purposes of transportation planning, but does not address the internal administrative workings of the entities and their staffs.  This has led to lack of administrative uniformity statewide among M.P.O.'s.	The draft legislation would amend ch. 112, F.S., to: -- Clarify that M.P.O.'s are separate legal entities independent from the local governing body; -- Allow M.P.O. staff to participate in the Florida Retirement System; and -- Allow M.P.O.'s to establish per diem and travel reimbursement rates. It also would amend s. 339.175(5), F.S., to clarify that: -- an M.P.O.'s executive director reports directly to his/her M.P.O. Governing Board; -- the executive director and staff are employed by the MPO, or through a staff services agreement between the MPO and another governmental entity; and -- the executive director position is SMS.	These changes are intended to bring uniformity to M.P.O. administration and officially recognize M.P.O. staff as public employees eligible for certain retirement benefits.  In addition, the legislation makes it clear that M.P.O. staff work for the M.P.O., and not for any of the member cities or counties.

Issue	Current Law	Proposed Changes	Justification
<p>Membership issues</p>	<p>M.P.O.'s have raised a number of technical membership issues that need clarity in state law. For example, M.P.O. officers and their duties are not specified; general-purpose, local government voting members are not fully defined; the methodology used to appoint alternate voting members is not clearly provided; and FDOT staff are "non-voting members" when their role is more as advisors. There also is a concern of the lack of non-highway representation on the boards.</p>	<p>The draft bill would amend s. 339.175(1) and (2), F.S., to:</p> <ul style="list-style-type: none"> <li>-- Direct each M.P.O. to select a chair, vice chair, and clerk;</li> <li>-- Specify the officers' responsibilities;</li> <li>-- Clarify that voting members shall exclude constitutional or charter officers;</li> <li>-- Establish a process by which alternate members are selected;</li> <li>-- Reclassify the FDOT representatives as non-voting advisors; and</li> <li>-- Directs M.P.O.'s to appoint nonvoting representatives of various multi-modal organizations, who are not otherwise represented by voting members.</li> </ul>	<p>These changes help eliminate current confusion in statutory construction and lack of uniformity in how M.P.O.'s statewide operate.</p> <p>They also could broaden multi-modal representation from entities other than airport and seaport boards.</p>
<p>Powers and duties of M.P.O.'s</p>	<p>Current law does not address training opportunities for local elected officials who serve on M.P.O.'s. Nor does current law give M.P.O.'s powers common to many other types of independent boards with budgets.</p>	<p>The draft bill would amend s. 339.175(5), F.S., to:</p> <ul style="list-style-type: none"> <li>• Require each M.P.O. to provide training on the urbanized transportation planning process to all who serve as members.</li> <li>• Give M.P.O.'s the power to: <ul style="list-style-type: none"> <li>-- Sell, donate, dedicate, or convey property to other entities;</li> <li>-- Appropriate funds;</li> <li>-- Receive grants-in-aid;</li> <li>-- Enjoy sovereign immunity;</li> <li>-- Incur debt;</li> <li>-- Hire staff, including legal counsel;</li> <li>-- Acquire buildings; and</li> <li>-- Have all powers provided for under federal law.</li> </ul> </li> </ul>	<p>These additional powers or privileges would significantly expand the current statutory authority of M.P.O.'s beyond their current transportation planning function.</p> <p>One reason the MPOAC is supporting this expansion of authority is to diminish the M.P.O.'s dependence on local governmental entities, and thus encourage broader, more regional planning.</p>

Issue	Current Law	Proposed Changes	Justification
Reporting requirements	The manner in which contiguous M.P.O.'s should report on their regional planning actions and accomplishments is not specified in current law.	The draft bill would amend s. 339.175(5), F.S., to specify that contiguous M.P.O.'s must develop a report on regional planning actions and accomplishments. This report must be transmitted to each M.P.O.'s local legislative delegation by February of each even-numbered year.	This is intended to document regional planning accomplishments, and improve communication between M.P.O.'s and their local legislative delegations.
Voting requirements	Current law requires roll-call votes of all members present in order to adopt or update certain plans.	The draft bill would amend s. 339.175(12), F.S., to provide for a supermajority roll call vote, or hand count vote of a majority-plus-one, of the membership present to adopt transportation plan amendments affecting projects in the first 3 years of such plans.	This change is related to the provision in s. 339.135(4)(b)3., F.S., that the first 3 years of FDOT's adopted work is the state's commitment to undertake transportation projects that local governments may rely on for planning and concurrency purposes.
<b>EXPRESSWAY AUTHORITIES</b>  Penalties for toll plaza violations	Section 316.1001, F.S., specifies that persons who use a toll facility without paying a toll (unless otherwise exempted) is guilty of a noncriminal traffic infraction, punishable as a moving violation.  If the citation is not paid in a timely fashion, then the matter is forwarded to the courts. Violators are subject to points being assessed on their driver's licenses.	The draft legislation would amend ss. 316.650(3) & 318.14(12), F.S., to clarify that violators must pay the amount of the unpaid toll and a <b>minimum \$25 fine</b> to the appropriate expressway authority within a specified time in order to avoid a court hearing and points assessed against their licenses.  The draft bill also would amend s. 318.18(7), F.S., to specify that if the violator is found guilty by a judge, then he/she must pay a <b>\$50 fine</b> plus the amount of the unpaid toll, to the court which will forward these funds to the appropriate expressway authority.	These changes set in statute the fines for failing to pay tolls on expressway authority facilities, and raised costs for motorists who unsuccessfully challenge expressway citations.

Issue	Current Law	Proposed Changes	Justification
Expanded uses for transponders	<p>Section 338.161, F.S., allows FDOT/the Turnpike to spend funds for marketing its Sun Pass transponders, and to receive funds from advertising placed on its transponders and promotional materials to defray costs.</p> <p>State law does not give similar authority to the expressway authorities.</p> <p>Nor does current law address potential uses of transponders other than for toll collection – although the Turnpike and the OCEA allow their customers to pay for parking at the Orlando International Airport from their transponder accounts.</p>	<p>The draft legislation would amend s. 338.161, F.S., to extend to expressway authorities the ability to market and accept advertising on their transponders.</p> <p>It also would specifically allow expressway authorities and FDOT/Turnpike to enter into agreements with private or public entities to expand the uses of SunPass, E-Pass and other electronic toll-collection devices.</p>	<p>The Turnpike and expressway authorities are requesting express statutory permission to expand the use of transponder accounts.</p> <p>The Turnpike and several expressway authorities may pursue partnerships with drive-through restaurants, service stations, parking lot operations, and other retail establishments that would allow food, gasoline, and other purchases to be paid from transponder debit accounts.</p>
Obscuring license plates	<p>State law prohibits <b>altering or mutilating</b> license plates so that they cannot be read easily by law enforcement.</p> <p>Expressway authorities are noticing more cases of illegible license plates on vehicles using tolled facilities without paying the tolls, and suspect increased use of spray-on film and other products to obscure the plate numbers.</p>	<p>The draft bill would amend s. 320.061, F.S., to also make it illegal to <b>obscure</b> license plates with any substance or coating that restricts their visibility or prevents a legible electronic image recording from being made.</p> <p>Under the bill, the registration of plates so obscured would be revoked.</p> <p>Also, the Florida Attorney General may file suit against any individual or entity selling or marketing products advertised as being able to obscure license plates. Such lawsuit may seek injunctive and monetary relief, punitive damages, attorney's fees, and records of all sales of the product to Floridians.</p>	<p>Supporters expect this provision will ensure better enforcement of toll-payment violations.</p>

Issue	Current Law	Proposed Changes	Justification
Placement of license plates	<p>Pursuant to s. 316.605(1), F.S., license plates must be attached to vehicles so that they are plainly visible and legible at all times 100 feet from the rear or front, and must be securely attached.</p> <p>Expressway authorities are noticing more cases of license plates being hung too high or too low, or otherwise oddly positioned, for the cameras at toll facilities to snap legible photographs of plates on vehicles whose drivers aren't paying tolls.</p>	<p>The draft bill would amend s. 316.605(1), F.S., to specify that:</p> <ul style="list-style-type: none"> <li>-- License plates be secured to the main body of a vehicle no higher than 60 inches and no lower than 12 inches from the ground, and</li> <li>-- License plates be affixed to a vehicle so that its letters and numerals shall be read from left to right, parallel to the ground.</li> </ul> <p>This means that license plates can't be attached upside down, vertically, or in reverse position.</p>	<p>Supporters expect this provision will ensure better enforcement of toll-payment violations.</p>

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1                                    A bill to be entitled  
2        An act relating to transportation; amending s. 112.061,  
3        F.S.; allowing metropolitan planning organizations to  
4        establish per diem and travel reimbursement rates;  
5        amending s. 121.021, F.S.; adding "metropolitan planning  
6        organization" to the definitions of "local agency  
7        employer" and "regularly established position" for the  
8        purposes of determining their employees' eligibility for  
9        the State Retirement System; amending s. 121.051, F.S.;  
10       allowing metropolitan planning organizations to  
11       participate in the State Retirement System; amending s.  
12       121.055, F.S.; adding certain MPO staff positions to the  
13       Senior Management Service classification of the State  
14       Retirement System; amending s. 121.061, F.S.; adding  
15       metropolitan planning organizations to the list of  
16       governmental entities involved in the State Retirement  
17       System; amending s. 121.081, F.S.; adding metropolitan  
18       planning organizations to the list of agencies whose  
19       officers and staff are eligible for claiming past service  
20       for retirement benefits; amending s. 316.605, F.S.,  
21       specifying height and placement requirements for vehicle  
22       license plates; amending s. 316.650, F.S.; providing  
23       conditions by which motorists who fail to pay tolls can  
24       escape a citation and points; amending s. 318.14, F.S.;  
25       adding provisions related to non-payment of tolls as a  
26       noncriminal traffic infraction; amending s. 318.18, F.S.;  
27       adding provisions related to civil penalties for non-  
28       payment of tolls; amending s. 320.061, F.S.; prohibiting  
29       the obscuring of vehicle license plates for the purpose of

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interfering with their visibility or recording; providing penalties; allowing the Florida Attorney General to file suit against marketers of obscuring products, and to obtain sales records in Florida; renumbering s. 336.044, F.S., related to the Department of Transportation's use of recycled materials; amending s. 338.161, F.S., allowing the department and other toll agencies to enter into agreements with public or private entities for additional uses of transponders; amending s. 338.2216, F.S.; changing the roll-forward date on certain undisbursed Turnpike Enterprise funds; amending s. 339.175, F.S.; defining metropolitan planning organizations as separate local governmental entities; requiring selection of officers; clarifying voting membership; establishing process for appointing alternate members; clarifying role of non-voting members; requiring independent staff; creating powers and duties for metropolitan planning organizations; directing metropolitan planning organizations to develop coordinated transportation planning processes, under certain conditions; requiring a report; changing voting requirements; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (14) of section 112.061, Florida Statutes, is amended to read:

112.061 Per diem and travel expenses of public officers, employees, and authorized persons.--



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(14) APPLICABILITY TO COUNTIES, COUNTY OFFICERS, DISTRICT SCHOOL BOARDS, AND SPECIAL DISTRICTS.--

(a) Rates that exceed the maximum travel reimbursement rates for nonstate travelers specified in paragraph (6)(a) for per diem, in paragraph (6)(b) for subsistence, and in subparagraph (7)(d)1. for mileage may be established by:

1. The governing body of a county by the enactment of an ordinance or resolution;

2. A county constitutional officer, pursuant to s. 1(d), Art. VIII of the State Constitution, by the establishment of written policy;

3. The governing body of a district school board by the adoption of rules; ~~or~~

4. The governing body of a special district, as defined in s. 189.403(1), except those special districts that are subject to s. 166.021(10), by the enactment of a resolution; ~~or~~

5. Any metropolitan planning organization created pursuant to s. 339.175, or any separate legal or administrative entity created pursuant to s. 339.175 of which a metropolitan planning organization is a member by enactment of a resolution.

(b) Rates established pursuant to paragraph (a) must apply uniformly to all travel by the county, county constitutional officer and entity governed by that officer, district school board, ~~or special district,~~ or metropolitan planning organization.

(c) Except as otherwise provided in this subsection, counties, county constitutional officers and entities governed by those officers, district school boards, and special districts,

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86 other than those subject to s. 166.021(10), remain subject to the  
87 requirements of this section.

88 Section 2. Paragraph (a) of subsection (42) and subsection  
89 (52) of section 121.021, Florida Statutes, are amended to read:

90 121.021 Definitions.--The following words and phrases as  
91 used in this chapter have the respective meanings set forth  
92 unless a different meaning is plainly required by the context:

93 (42)(a) "Local agency employer" means the board of county  
94 commissioners or other legislative governing body of a county,  
95 however styled, including that of a consolidated or metropolitan  
96 government; a clerk of the circuit court, sheriff, property  
97 appraiser, tax collector, or supervisor of elections, provided  
98 such officer is elected or has been appointed to fill a vacancy  
99 in an elective office; a community college board of trustees or  
100 district school board; or the governing body of any city, or  
101 metropolitan planning organization, or special district of the  
102 state which participates in the system for the benefit of certain  
103 of its employees.

104 (52) "Regularly established position" is defined as  
105 follows:

106 (a) In a state agency, the term means a position which is  
107 authorized and established pursuant to law and is compensated  
108 from a salaries appropriation pursuant to s. 216.011(1)(dd), or  
109 an established position which is authorized pursuant to s.  
110 216.262(1)(a) and (b) and is compensated from a salaries account  
111 as provided by rule.

112 (b) In a local agency (district school board, county  
113 agency, community college, city, metropolitan planning  
114 organization, or special district), the term means a regularly

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115 established position which will be in existence for a period  
116 beyond 6 consecutive months, except as provided by rule.

117 Section 3. Paragraph (b) of subsection (2) of section  
118 121.051, Florida Statutes, is amended to read:

119 121.051 Participation in the system.--

120 (2) OPTIONAL PARTICIPATION.--

121 (b)1. The governing body of any municipality, metropolitan  
122 planning organization, or special district in the state may elect  
123 to participate in the system upon proper application to the  
124 administrator and may cover all or any of its units as approved  
125 by the Secretary of Health and Human Services and the  
126 administrator. The department shall adopt rules establishing  
127 provisions for the submission of documents necessary for such  
128 application. Prior to being approved for participation in the  
129 Florida Retirement System, the governing body of any such  
130 municipality, metropolitan planning organization, or special  
131 district that has a local retirement system shall submit to the  
132 administrator a certified financial statement showing the  
133 condition of the local retirement system as of a date within 3  
134 months prior to the proposed effective date of membership in the  
135 Florida Retirement System. The statement must be certified by a  
136 recognized accounting firm that is independent of the local  
137 retirement system. All required documents necessary for extending  
138 Florida Retirement System coverage must be received by the  
139 department for consideration at least 15 days prior to the  
140 proposed effective date of coverage. If the municipality,  
141 metropolitan planning organization, or special district does not  
142 comply with this requirement, the department may require that the  
143 effective date of coverage be changed.

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144           2. Any city, metropolitan planning organization, or special  
145 district that has an existing retirement system covering the  
146 employees in the units that are to be brought under the Florida  
147 Retirement System may participate only after holding a referendum  
148 in which all employees in the affected units have the right to  
149 participate. Only those employees electing coverage under the  
150 Florida Retirement System by affirmative vote in said referendum  
151 shall be eligible for coverage under this chapter, and those not  
152 participating or electing not to be covered by the Florida  
153 Retirement System shall remain in their present systems and shall  
154 not be eligible for coverage under this chapter. After the  
155 referendum is held, all future employees shall be compulsory  
156 members of the Florida Retirement System.

157           3. The governing body of any city, metropolitan planning  
158 organization, or special district complying with subparagraph 1.  
159 may elect to provide, or not provide, benefits based on past  
160 service of officers and employees as described in s. 121.081(1).  
161 However, if such employer elects to provide past service  
162 benefits, such benefits must be provided for all officers and  
163 employees of its covered group.

164           4. Once this election is made and approved it may not be  
165 revoked, except pursuant to subparagraphs 5. and 6., and all  
166 present officers and employees electing coverage under this  
167 chapter and all future officers and employees shall be compulsory  
168 members of the Florida Retirement System.

169           5. Subject to the conditions set forth in subparagraph 6.,  
170 the governing body of any hospital licensed under chapter 395  
171 which is governed by the board of a special district as defined  
172 in s. 189.403(1) or by the board of trustees of a public health

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trust created under s. 154.07, hereinafter referred to as "hospital district," and which participates in the system, may elect to cease participation in the system with regard to future employees in accordance with the following procedure:

a. No more than 30 days and at least 7 days before adopting a resolution to partially withdraw from the Florida Retirement System and establish an alternative retirement plan for future employees, a public hearing must be held on the proposed withdrawal and proposed alternative plan.

b. From 7 to 15 days before such hearing, notice of intent to withdraw, specifying the time and place of the hearing, must be provided in writing to employees of the hospital district proposing partial withdrawal and must be published in a newspaper of general circulation in the area affected, as provided by ss. 50.011-50.031. Proof of publication of such notice shall be submitted to the Department of Management Services.

c. The governing body of any hospital district seeking to partially withdraw from the system must, before such hearing, have an actuarial report prepared and certified by an enrolled actuary, as defined in s. 112.625(3), illustrating the cost to the hospital district of providing, through the retirement plan that the hospital district is to adopt, benefits for new employees comparable to those provided under the Florida Retirement System.

d. Upon meeting all applicable requirements of this subparagraph, and subject to the conditions set forth in subparagraph 6., partial withdrawal from the system and adoption of the alternative retirement plan may be accomplished by resolution duly adopted by the hospital district board. The

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hospital district board must provide written notice of such withdrawal to the division by mailing a copy of the resolution to the division, postmarked no later than December 15, 1995. The withdrawal shall take effect January 1, 1996.

6. Following the adoption of a resolution under sub-subparagraph 5.d., all employees of the withdrawing hospital district who were participants in the Florida Retirement System prior to January 1, 1996, shall remain as participants in the system for as long as they are employees of the hospital district, and all rights, duties, and obligations between the hospital district, the system, and the employees shall remain in full force and effect. Any employee who is hired or appointed on or after January 1, 1996, may not participate in the Florida Retirement System, and the withdrawing hospital district shall have no obligation to the system with respect to such employees.

Section 4. Paragraph (b) of subsection (1) of section 121.055, Florida Statutes, is amended to read:

121.055 Senior Management Service Class.--There is hereby established a separate class of membership within the Florida Retirement System to be known as the "Senior Management Service Class," which shall become effective February 1, 1987.

(1)(a)

(b)1. Except as provided in subparagraph 2., effective January 1, 1990, participation in the Senior Management Service Class shall be compulsory for the president of each community college, the manager of each participating city or county, the executive director or staff director of each metropolitan planning organization, and all appointed district school superintendents. Effective January 1, 1994, additional positions

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may be designated for inclusion in the Senior Management Service Class of the Florida Retirement System, provided that:

a. Positions to be included in the class shall be designated by the local agency employer. Notice of intent to designate positions for inclusion in the class shall be published once a week for 2 consecutive weeks in a newspaper of general circulation published in the county or counties affected, as provided in chapter 50.

b. Up to 10 nonelective full-time positions may be designated for each local agency employer reporting to the Department of Management Services; for local agencies with 100 or more regularly established positions, additional nonelective full-time positions may be designated, not to exceed 1 percent of the regularly established positions within the agency.

c. Each position added to the class must be a managerial or policymaking position filled by an employee who is not subject to continuing contract and serves at the pleasure of the local agency employer without civil service protection, and who:

- (I) Heads an organizational unit; or
- (II) Has responsibility to effect or recommend personnel, budget, expenditure, or policy decisions in his or her areas of responsibility.

2. In lieu of participation in the Senior Management Service Class, members of the Senior Management Service Class pursuant to the provisions of subparagraph 1. may withdraw from the Florida Retirement System altogether. The decision to withdraw from the Florida Retirement System shall be irrevocable for as long as the employee holds such a position. Any service creditable under the Senior Management Service Class shall be

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retained after the member withdraws from the Florida Retirement System; however, additional service credit in the Senior Management Service Class shall not be earned after such withdrawal. Such members shall not be eligible to participate in the Senior Management Service Optional Annuity Program.

3. Effective January 1, 2006, through June 30, 2006, an employee who has withdrawn from the Florida Retirement System under subparagraph 2. has one opportunity to elect to participate in either the defined benefit program or the Public Employee Optional Retirement Program of the Florida Retirement System.

a. If the employee elects to participate in the Public Employee Optional Retirement Program, membership shall be prospective, and the applicable provisions of s. 121.4501(4) shall govern the election.

b. If the employee elects to participate in the defined benefit program of the Florida Retirement System, the employee shall, upon payment to the system trust fund of the amount calculated under sub-sub-subparagraph (I), receive service credit for prior service based upon the time during which the employee had withdrawn from the system.

(I) The cost for such credit shall be an amount representing the actuarial accrued liability for the affected period of service. The cost shall be calculated using the discount rate and other relevant actuarial assumptions that were used to value the Florida Retirement System defined benefit plan liabilities in the most recent actuarial valuation. The calculation shall include any service already maintained under the defined benefit plan in addition to the period of withdrawal. The actuarial accrued liability attributable to any service



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289 already maintained under the defined benefit plan shall be  
290 applied as a credit to the total cost resulting from the  
291 calculation. The division shall ensure that the transfer sum is  
292 prepared using a formula and methodology certified by an actuary.

293 (II) The employee must transfer a sum representing the net  
294 cost owed for the actuarial accrued liability in sub-sub-  
295 subparagraph (I) immediately following the time of such movement,  
296 determined assuming that attained service equals the sum of  
297 service in the defined benefit program and the period of  
298 withdrawal.

299 Section 5. Subsection (2) of section 121.061, Florida  
300 Statutes, is amended to read:

301 121.061 Funding.--

302 (2)(a) Should any employer other than a state employer fail  
303 to make the retirement and social security contributions, both  
304 member and employer contributions, required by this chapter,  
305 then, upon request by the administrator, the Department of  
306 Revenue or the Department of Financial Services, as the case may  
307 be, shall deduct the amount owed by the employer from any funds  
308 to be distributed by it to the county, city, metropolitan  
309 planning organization, special district, or consolidated form of  
310 government. The amounts so deducted shall be transferred to the  
311 administrator for further distribution to the trust funds in  
312 accordance with this chapter.

313 (b) Should any employer for whom the city or county tax  
314 collector collects taxes, fail to make the retirement and social  
315 security contributions required by this chapter, the tax  
316 collector, at the request of the administrator and upon receipt  
317 of a certificate from the administrator showing the amount owed

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318 by the employer, shall deduct the amount so certified from any  
319 taxes collected for the employer and remit the amount to the  
320 administrator for further distribution to the trust funds in  
321 accordance with this chapter.

322 (c) The governing body of each county, city, metropolitan  
323 planning organization, special district, or consolidated form of  
324 government participating under this chapter or the administrator,  
325 acting individually or jointly, is hereby authorized to file and  
326 maintain an action in the courts of the state to require any  
327 employer to remit any retirement or social security member  
328 contributions or employer matching payments due the retirement or  
329 social security trust funds under the provisions of this chapter.

330 (d) Should the income of any constitutional fee officer, in  
331 any year, be insufficient to make the matching payments required  
332 by this chapter, the board of county commissioners shall provide  
333 such fee officer sufficient funds to make these required payments  
334 when due.

335 Section 6. Subsection (1) of section 121.081, Florida  
336 Statutes, is amended to read:

337 121.081 Past service; prior service;  
338 contributions.--Conditions under which past service or prior  
339 service may be claimed and credited are:

340 (1)(a) Past service, as defined in s. 121.021(18), may be  
341 claimed as creditable service by officers or employees of a city,  
342 metropolitan planning organization, or special district that  
343 become a covered group under this system. The governing body of a  
344 covered group in compliance with s. 121.051(2)(b) may elect to  
345 provide benefits with respect to past service earned prior to  
346 January 1, 1975, in accordance with this chapter, and the cost

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for such past service shall be established by applying the following formula: The member contribution for both regular and special risk members shall be 4 percent of the gross annual salary for each year of past service claimed, plus 4-percent employer matching contribution, plus 4 percent interest thereon compounded annually, figured on each year of past service, with interest compounded from date of annual salary earned until July 1, 1975, and 6.5 percent interest compounded annually thereafter until date of payment. Once the total cost for a member has been figured to date, then after July 1, 1975, 6.5 percent compounded interest shall be added each June 30 thereafter on any unpaid balance until the cost of such past service liability is paid in full. The following formula shall be used in calculating past service earned prior to January 1, 1975: (Annual gross salary multiplied by 8 percent) multiplied by the 4 percent or 6.5 percent compound interest table factor, as may be applicable. The resulting product equals cost to date for each particular year of past service.

(b) Past service earned after January 1, 1975, may be claimed by officers or employees of a city, metropolitan planning organization, or special district that becomes a covered group under this system. The governing body of a covered group may elect to provide benefits with respect to past service earned after January 1, 1975, in accordance with this chapter, and the cost for such past service shall be established by applying the following formula: The employer shall contribute an amount equal to the contribution rate in effect at the time the service was earned, multiplied by the employee's gross salary for each year of past service claimed, plus 6.5 percent interest thereon,

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376 compounded annually, figured on each year of past service, with  
377 interest compounded from date of annual salary earned until date  
378 of payment.

379 (c) Should the employer not elect to provide past service  
380 for the member, then the member may claim and pay same, based on  
381 paragraphs (a) and (b).

382 (d) Employment prior to January 1, 1968, in the Cuban  
383 Refugee Assistance Program administered by the Florida State  
384 Department of Public Welfare or the Florida State Board of Health  
385 shall be deemed to be included in past service as defined in s.  
386 121.021(18), for the purposes of the Florida Retirement System,  
387 any other provisions of law notwithstanding and regardless of the  
388 fund from which such employment was paid. If credit for such  
389 service has not been granted under any other state or federal  
390 system, any member of the Florida Retirement System or any system  
391 consolidated therein shall be entitled to receive past-service  
392 credit for his or her period of employment in the Cuban Refugee  
393 Assistance Program prior to January 1, 1968, in the manner  
394 provided in this subsection. However, in no event will  
395 eligibility for past service be established unless required  
396 contributions are paid into the Florida Retirement System for  
397 such period of past service and such contributions are not paid  
398 from general revenue funds of the state.

399 (e) Past service, as defined in s. 121.021(18), may be  
400 claimed as creditable service by a member of the Florida  
401 Retirement System who formerly was an officer or employee of a  
402 city, metropolitan planning organization, or special district,  
403 notwithstanding the status or form of the retirement system, if  
404 any, of that city, metropolitan planning organization, or special

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405 district and irrespective of whether officers or employees of  
406 that city, metropolitan planning organization, or special  
407 district now or hereafter become a covered group under the  
408 Florida Retirement System. Such member may claim creditable  
409 service and be entitled to the benefits accruing to the regular  
410 class of members as provided for the past service claimed under  
411 this paragraph by paying into the retirement trust fund an amount  
412 equal to the total actuarial cost of providing the additional  
413 benefit resulting from such past-service credit, discounted by  
414 the applicable actuarial factors to date of retirement.

415 (f) When any person, either prior to this act or hereafter,  
416 becomes entitled to and does participate in one of the retirement  
417 systems consolidated within or created by this chapter through  
418 the consolidation or merger of governments or the transfer of  
419 functions between units of government, either at the state or  
420 local level or between state and local units, or through the  
421 assumption of functions or activities by a state or local unit  
422 from an employing entity which was not an employer under the  
423 system, and such person becomes a member of the Florida  
424 Retirement System, such person shall be entitled to receive past-  
425 service credit as defined in s. 121.021(18) for the time such  
426 person performed services for, and was an employee of, such state  
427 or local unit or other employing entity prior to the transfer,  
428 merger, consolidation, or assumption of functions and activities.  
429 Past-service credit allowed by this paragraph shall also be  
430 available to any person who becomes a member of an existing  
431 system, as defined in s. 121.021(2), prior to December 1, 1970,  
432 through the transfer, merger, consolidation, or assumption of  
433 functions and activities set forth in this paragraph and who

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434 subsequently becomes a member of the Florida Retirement System.  
435 However, credit for the past service may not be granted until  
436 contributions are made in the manner provided in this subsection.  
437 If a person rejected Florida Retirement System membership at the  
438 time of the transfer, merger, or consolidation, the required  
439 contributions shall be at total actuarial cost as specified in  
440 paragraph (e). Such contributions or accrued interest may not be  
441 paid from any state funds.

442       (g) Any person who was enrolled on May 15, 1976, in a state  
443 retirement system administered under this chapter and who was, on  
444 that date, an officer or employee of a consolidated government  
445 which by virtue of its charter had elected status as a  
446 municipality for purposes of state retirement systems  
447 administered under this chapter and who had not withdrawn his or  
448 her contributions shall be deemed to have become a member of that  
449 system as of the date he or she began to participate therein,  
450 whether employed by the consolidated government or a preceding  
451 interim government on that date, and shall be entitled to retain  
452 membership in that system so long as he or she continues to be an  
453 officer or employee of the consolidated government, regardless of  
454 the fact that the consolidated government and interim government  
455 were not employers as defined in s. 121.021(10). Any person who  
456 was enrolled before May 15, 1976, in a state retirement system  
457 administered under this chapter and who was, during the period of  
458 enrollment, an officer or employee of a consolidated government  
459 which by virtue of its charter had elected status as a  
460 municipality for purposes of state retirement systems  
461 administered under this chapter, who terminated employment with  
462 the consolidated government, and who had not withdrawn his or her

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contributions shall be deemed to have been a member of the retirement system in which he or she was enrolled during the period of such enrollment and employment by that consolidated government and during any period of enrollment and employment by any interim government which performed the functions of the consolidated government prior to its creation, regardless of the fact that the consolidated government and interim government were not employers as defined in s. 121.021(10). However, in no event shall credit be granted for service rendered in such employment prior to May 15, 1976, unless the contributions required for such credit were paid prior to May 15, 1976.

(h) The following provisions apply to the purchase of past service:

1. Notwithstanding any of the provisions of this subsection, past-service credit may not be purchased under this chapter for any service that is used to obtain a benefit from any local retirement system.

2. A member may not receive past service credit under paragraphs (a), (b), (e), or (f) for any leaves of absence without pay, except that credit for active military service leaves of absence may be claimed under paragraphs (a), (b), and (f), in accordance with s. 121.111(1).

3. If a member does not desire to receive credit for all of his or her past service, the period the member claims must be the most recent past service prior to his or her participation in the Florida Retirement System.

4. The cost of past service purchased by an employing agency for its employees may be amortized over such period of time as is provided in the agreement, but not to exceed 15 years,

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492 calculated in accordance with rule 60S-1.007(5)(f), Florida  
493 Administrative Code.

494 5. The retirement account of each member for whom past  
495 service is being provided by his or her employer shall be  
496 credited with all past service the employer agrees to purchase as  
497 soon as the agreement between the employer and the department is  
498 executed. Pursuant thereto:

499 a. Each such member's account shall also be posted with the  
500 total contribution his or her employer agrees to make in the  
501 member's behalf for past service earned prior to October 1, 1975,  
502 excluding those contributions representing the employer's  
503 matching share and the compound interest calculation on the total  
504 contribution. However, a portion of any contributions paid by an  
505 employer for past service credit earned on and after October 1,  
506 1975, may not be posted to a member's account.

507 b. A refund of contributions payable after an employer has  
508 made a written agreement to purchase past service for employees  
509 of the covered group shall include contributions for past service  
510 which are posted to a member's account. However, contributions  
511 for past service earned on and after October 1, 1975, are not  
512 refundable.

513 (i) An employee of a state agency who was a member of a  
514 state-administered retirement system and who was granted  
515 educational leave with pay pursuant to a written educational  
516 leave-with-pay policy may claim such period of educational leave  
517 as past service subject to the following conditions:

518 1. The educational leave must have occurred prior to  
519 December 31, 1971;



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520           2. The member must have completed at least 6 years of  
521     creditable service excluding the period of the educational leave;

522           3. The employee must have returned to employment with a  
523     state agency employer who participated in the retirement system,  
524     which return was immediately upon termination of the educational  
525     leave, and must have remained on the employer's payroll for at  
526     least 1 calendar month following the return to employment;

527           4. The employee must be a member of the Florida Retirement  
528     System at the time he or she claims such service;

529           5. Not more than 24 months of creditable service may be  
530     claimed for such period of educational leave with pay;

531           6. The service must not be claimed under any other state or  
532     federal retirement system; and

533           7. The member must pay to the retirement trust fund for  
534     claiming such past-service credit an amount equal to 8 percent of  
535     his or her gross annual salary immediately prior to the  
536     educational leave with pay for each year of past service claimed,  
537     plus 4 percent interest thereon compounded annually each June 30  
538     from the first year of service claimed until July 1, 1975, and  
539     6.5 percent interest thereafter on the unpaid balance compounded  
540     annually each June 30 until paid.

541           (j) A member may claim and receive past-service credit  
542     under this system for employment in a multiple offender project  
543     funded by a grant from the Federal Government to a local  
544     government, which local government is not covered by this  
545     chapter, if the project was implemented by a state attorney who  
546     had the authority for hiring and firing the employees of the  
547     project and the member worked under the supervision of the state  
548     attorney or his or her subordinate. Creditable service shall be

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549 granted upon certification by the state attorney of the preceding  
550 conditions and payment by the member or the state attorney's  
551 office of the amount due for the period of employment, based on  
552 the contribution rates in effect for regular or special risk  
553 members, as appropriate, at the time such service is claimed,  
554 plus interest compounded annually each June 30 at the rate of 4  
555 percent until July 1, 1975, and 6.5 percent thereafter. Such  
556 creditable service shall not be available to any member who  
557 receives a benefit from another state or local retirement system  
558 which is derived in whole or in part from the same service.

559       (k) Employees of the Fourth Judicial Circuit who were in an  
560 employee-employer relationship with the City of Jacksonville on  
561 June 30, 2004, and who became employees of the State Courts  
562 System on July 1, 2004, as a result of implementation of Revision  
563 7 to Article V of the State Constitution shall be deemed to be  
564 included in past service as defined in s. 121.021(18), for the  
565 purposes of the Florida Retirement System, any other provisions  
566 of law notwithstanding. If credit for such service has not been  
567 granted under any other retirement system, any member of the  
568 Florida Retirement System therein shall be entitled to receive  
569 past-service credit for his or her period of employment with the  
570 City of Jacksonville prior to July 1, 2004, in the manner  
571 provided in this subsection. However, in no event will  
572 eligibility for past service be established unless required  
573 contributions are paid into the Florida Retirement System for  
574 such period of past service, and such contributions may be paid  
575 by the member or prior employer on behalf of the member.  
576

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577 Section 7. Subsection (1) of section 316.605, Florida  
578 Statutes, is amended to read:

579 316.605 Licensing of vehicles.--

580 (1) Every vehicle, at all times while driven, stopped, or  
581 parked upon any highways, roads, or streets of this state, shall  
582 be licensed in the name of the owner thereof in accordance with  
583 the laws of this state unless such vehicle is not required by the  
584 laws of this state to be licensed in this state and shall, except  
585 as otherwise provided in s. 320.0706 for front-end registration  
586 license plates on truck tractors and s. 320.086(5) which exempts  
587 display of license plates on described former military vehicles,  
588 display the license plate or both of the license plates assigned  
589 to it by the state, one on the rear and, if two, the other on the  
590 front of the vehicle, each to be securely fastened to the vehicle  
591 outside the main body of the vehicle not higher than sixty (60)  
592 inches and not lower than twelve (12) inches from the ground and  
593 in such manner as to prevent the plates from swinging, and all  
594 letters, numerals, printing, writing, and other identification  
595 marks upon the plates regarding the word "Florida," the  
596 registration decal, and the alphanumeric designation shall be  
597 clear and distinct and free from defacement, mutilation, grease,  
598 and other obscuring matter, so that they will be plainly visible  
599 and legible at all times 100 feet from the rear or front. Vehicle  
600 license plates shall be affixed and displayed in such a manner  
601 that the letters and numerals shall be read from left to right  
602 parallel to the ground. No vehicle license plate may be displayed  
603 in an inverted or reversed position, or in such a manner that the  
604 letters and numbers and their proper sequence are not readily  
605 identifiable. Nothing shall be placed upon the face of a Florida

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plate except as permitted by law or by rule or regulation of a governmental agency. No license plates other than those furnished by the state shall be used. However, if the vehicle is not required to be licensed in this state, the license plates on such vehicle issued by another state, by a territory, possession, or district of the United States, or by a foreign country, substantially complying with the provisions hereof, shall be considered as complying with this chapter. A violation of this subsection is a noncriminal traffic infraction, punishable as a nonmoving violation as provided in chapter 318.

Section 8. Paragraph (b) of subsection (3) of section 316.650, Florida Statutes, is amended to read:

316.650 Traffic citations.--

(3)

(b) If a traffic citation is issued pursuant to s. 316.1001, a traffic enforcement officer may deposit the original and one copy of such traffic citation or, in the case of a traffic enforcement agency that has an automated citation system, may provide an electronic facsimile with a court having jurisdiction over the alleged offense or with its traffic violations bureau within 45 days after the date of issuance of the citation to the violator. If the person cited for the violation of s. 316.001 makes the election provided by s. 318.14(12), and pays the fine imposed by the toll authority, plus the amount of the unpaid toll that is shown on the traffic citation, directly to the governmental entity that issued the citation in accordance with s. 318.14(12), the traffic citation will not be submitted to the court, and this disposition will be

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reported to the department by the governmental entity that issued the citation, and no points will be assessed.

Section 9. Subsection (12) of section 318.14, Florida Statutes, is amended to read:

318.14 Noncriminal traffic infractions; exception; procedures.--

(12) Any person cited for a violation of s. 316.1001 may, in lieu of making an election as set forth in subsection (4) or s. 318.18(7), elect to pay ~~his or her~~ a fine imposed by the toll authority, plus the amount of the unpaid toll that is shown on the traffic citation, directly to the governmental entity that issued the citation, within 30 days after the date of issuance of the citation. Any person cited for a violation of s. 316.1001 who does not elect to pay the fine imposed by the toll authority, plus the amount of the unpaid toll that is shown on the traffic citation, directly to the governmental entity that issued the citation as described in this subsection shall have an additional 45 days after the date of the issuance of the citation in which to request a court hearing or to pay the civil penalty and delinquent fee, if applicable, as provided in s. 318.18(7), either by mail or in person, in accordance with subsection (4).

Section 10. Subsection (7) of section 318.18, Florida Statutes, is amended to read:

318.18 Amount of civil penalties.--The penalties required for a noncriminal disposition pursuant to s. 318.14 are as follows:

(7) Mandatory One hundred fifty dollars, plus the amount of the unpaid toll shown on the traffic citation, for each citation issued for a violation of s. 316.1001. The clerk of the court

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663 shall forward \$50 of the \$150 fine received, plus the amount of  
664 the unpaid toll that is shown on each citation, to the  
665 governmental entity that issued the citation. If adjudication is  
666 withheld or there is a plea arrangement prior to a hearing, there  
667 shall be a minimum mandatory cost assessed per citation of \$100  
668 plus the amount of the unpaid toll for each citation issued. The  
669 clerk of the court shall forward \$50 of the \$100 plus the amount  
670 of the unpaid toll as shown on each citation to the governmental  
671 entity that issued the citation. The court shall have specific  
672 authority to consolidate issued citations for the same defendant  
673 for the purpose of sentencing and aggregate jurisdiction. In  
674 addition, for 10 convictions of s. 316.1001 received by a person  
675 within a 36 month period, the department shall suspend the  
676 driver's license of the person for 60 days. ~~However, a person may~~  
677 ~~elect to pay \$30 to the clerk of the court, in which case~~  
678 ~~adjudication is withheld, and no points are assessed under s.~~  
679 ~~322.27. Upon receipt of the fine, the clerk of the court must~~  
680 ~~retain \$5 for administrative purposes and must forward the \$25 to~~  
681 ~~the governmental entity that issued the citation. Any funds~~  
682 received by a governmental entity for this violation may be used  
683 for any lawful purpose related to the operation or maintenance of  
684 a toll facility.

685 Section 11. Section 320.061, Florida Statutes, is amended  
686 to read:

687 320.061 Unlawful to alter or obscure motor vehicle  
688 registration certificates, license plates, mobile home stickers,  
689 or validation stickers; penalty.--

690 (1) No person shall alter the original appearance of any  
691 registration license plate, mobile home sticker, validation

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692 sticker, or vehicle registration certificate issued for and  
693 assigned to any motor vehicle or mobile home, whether by  
694 mutilation, alteration, defacement, or change of color or in any  
695 other manner. No person shall apply or attach any substance,  
696 reflective matter, illuminated device, spray, coating, covering,  
697 or other material onto or around any license plate that  
698 interferes with the legibility, angular visibility or  
699 detectability of, or ability to photograph or otherwise record,  
700 any feature or detail on the license plate. The advertising sale,  
701 distribution, purchase, or use of such products made for the  
702 purpose of interfering with the legibility, angular visibility or  
703 detectability of, or interfering with the ability to photograph  
704 or otherwise record, any feature or detail on a license plate is  
705 prohibited. Any person who violates the provisions of this  
706 section is guilty of a misdemeanor of the second degree,  
707 punishable as provided in s. 775.082 or s. 775.083.

708 (2) If a state or local law enforcement officer having  
709 jurisdiction observes that a cover or other device or material or  
710 substance is obstructing the visibility or electronic image  
711 recording of the plate, the officer shall issue a Uniform Traffic  
712 Citation and shall confiscate the cover or other device that  
713 obstructs the visibility or electronic image recording of the  
714 plate. If the state or local law enforcement officer having  
715 jurisdiction observes that the plate itself has been physically  
716 treated with a substance, reflective matter, spray, coating, or  
717 other material that is obstructing the visibility or electronic  
718 image recording of the plate, the officer shall issue a Uniform  
719 Traffic Citation and shall confiscate the plate. The department  
720 shall revoke the registration of any plate that has been found by

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721 a court to have been physically altered with any chemical or  
722 reflective substance or coating that obstructs the visibility or  
723 electronic image recording of the plate.

724 (3) The Florida Attorney General may file suit against any  
725 individual or entity offering or marketing the sale, including  
726 via the Internet, of any product advertised as having the  
727 capacity to obstruct the visibility or electronic image recording  
728 of a license plate. In addition to injunctive and monetary  
729 relief, punitive damages, and attorneys fees, the suit shall also  
730 seek a full accounting of the records of all sales to residents  
731 of or entities within the State of Florida.

732 Section 12. Section 336.044, Florida Statutes, is moved and  
733 renumbered as section 334.70, Florida Statutes, to read:

734 334.70 Use of recyclable materials in construction.--

735 (1) It is the intent of the Legislature that the Department  
736 of Transportation continue to expand its current use of recovered  
737 materials in its construction programs.

738 (2) The Legislature declares it to be in the public  
739 interest to find alternative ways to use certain recyclable  
740 materials that currently are part of the solid waste stream and  
741 that contribute to problems of declining space in landfills. To  
742 determine the feasibility of using certain recyclable materials  
743 for paving materials, the department may undertake demonstration  
744 projects using the following materials in road construction:

745 (a) Ground rubber from automobile tires in road resurfacing  
746 or subbase materials for roads;

747 (b) Ash residue from coal combustion byproducts for  
748 concrete and ash residue from waste incineration facilities and  
749 oil combustion byproducts for subbase material;



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750        (c) Recycled mixed-plastic material for guardrail posts or  
751 right-of-way fence posts;

752        (d) Construction steel, including reinforcing rods and I-  
753 beams, manufactured from scrap metals disposed of in the state;  
754 and

755        (e) Glass, and glass aggregates.

756        (3) The department shall review and revise existing bid  
757 procedures and specifications for the purchase or use of products  
758 and materials to eliminate any procedures and specifications that  
759 explicitly discriminate against products and materials with  
760 recycled content, except where such procedures and specifications  
761 are necessary to protect the health, safety, and welfare of the  
762 people of this state.

763        (4) The department shall review and revise its bid  
764 procedures and specifications on a continuing basis to encourage  
765 the use of products and materials with recycled content and  
766 shall, in developing new procedures and specifications, encourage  
767 the use of products and materials with recycled content.

768        (5) All agencies shall cooperate with the department in  
769 carrying out the provisions of this section.

770        Section 13. Subsection (3) is added to section 338.161,  
771 Florida Statutes, to read:

772        338.161 Authority of department to advertise and promote  
773 electronic toll collection.--

774        (3) The department or any toll agency created by statute is  
775 authorized to incur expenses and advertise or promote electronic  
776 toll collection through agreements with private or public  
777 entities that provide for additional uses of its electronic toll  
778 collection products and services on or off the turnpike or toll

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779 system, where the Department or toll agency has determined it can  
780 increase non-toll revenues or add convenience or other value for  
781 its customers.

782 Section 14. Paragraph (b) of subsection (3) of section  
783 338.2216, Florida Statutes, is amended to read:

784 338.2216 Florida Turnpike Enterprise; powers and  
785 authority.--

786 (3)

787 (b) Notwithstanding the provisions of s. 216.301 to the  
788 contrary and in accordance with s. 216.351, the Executive Office  
789 of the Governor shall, on July 1 of each year, certify forward  
790 all unexpended funds appropriated or provided pursuant to this  
791 section for the turnpike enterprise. Of the unexpended funds  
792 certified forward, any unencumbered amounts shall be carried  
793 forward. Such funds carried forward shall not exceed 5 percent of  
794 the total operating budget of the turnpike enterprise. Funds  
795 carried forward pursuant to this section may be used for any  
796 lawful purpose, including, but not limited to, promotional and  
797 market activities, technology, and training. Any certified  
798 forward funds remaining undisbursed on September 30 ~~December 31~~  
799 of each year shall be carried forward.

800 Section 15. Subsection (1) of section 338.2275, Florida  
801 Statutes, is amended to read:

802 338.2275 Approved turnpike projects.--

803 (1) Legislative approval of the department's tentative work  
804 program that contains the turnpike project constitutes approval  
805 to issue bonds as required by s. 11(f), Art. VII of the State  
806 Constitution. No more than \$6 billion of bonds may be outstanding  
807 to fund approved turnpike projects. ~~Turnpike projects approved to~~

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808 ~~be included in future tentative work programs include, but are~~  
 809 ~~not limited to, projects contained in the 2003-2004 tentative~~  
 810 ~~work program. A maximum of \$4.5 billion of bonds may be issued to~~  
 811 ~~fund approved turnpike projects.~~

812 .Section 15. Subsections (1), (2), (3), and (5) of section  
 813 339.175, Florida Statutes, are amended to read:

814 339.175 Metropolitan planning organization.--It is the  
 815 intent of the Legislature to encourage and promote the safe and  
 816 efficient management, operation, and development of surface  
 817 transportation systems that will serve the mobility needs of  
 818 people and freight within and through urbanized areas of this  
 819 state while minimizing transportation-related fuel consumption  
 820 and air pollution. To accomplish these objectives, metropolitan  
 821 planning organizations, referred to in this section as M.P.O.'s,  
 822 shall develop, in cooperation with the state and public transit  
 823 operators, transportation plans and programs for metropolitan  
 824 areas. The plans and programs for each metropolitan area must  
 825 provide for the development and integrated management and  
 826 operation of transportation systems and facilities, including  
 827 pedestrian walkways and bicycle transportation facilities that  
 828 will function as an intermodal transportation system for the  
 829 metropolitan area, based upon the prevailing principles provided  
 830 in s. 334.046(1). The process for developing such plans and  
 831 programs shall provide for consideration of all modes of  
 832 transportation and shall be continuing, cooperative, and  
 833 comprehensive, to the degree appropriate, based on the complexity  
 834 of the transportation problems to be addressed. To ensure that  
 835 the process is integrated with the statewide planning process,  
 836 M.P.O.'s shall develop plans and programs that identify

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transportation facilities that should function as an integrated metropolitan transportation system, giving emphasis to facilities that serve important national, state, and regional transportation functions. For the purposes of this section, those facilities include the facilities on the Strategic Intermodal System designated under s. 339.63 and facilities for which projects have been identified pursuant to s. 339.2819(4).

(1) DESIGNATION.--

(a)1. An M.P.O. shall be designated for each urbanized area of the state; however, this does not require that an individual M.P.O. be designated for each such area. Such designation shall be accomplished by agreement between the Governor and units of general-purpose local government representing at least 75 percent of the population of the urbanized area; however, the unit of general-purpose local government that represents the central city or cities within the M.P.O. jurisdiction, as defined by the United States Bureau of the Census, must be a party to such agreement.

2. More than one M.P.O. may be designated within an existing metropolitan planning area only if the Governor and the existing M.P.O. determine that the size and complexity of the existing metropolitan planning area makes the designation of more than one M.P.O. for the area appropriate.

(b) Each M.P.O. shall be created and operated under the provisions of this section pursuant to an interlocal agreement entered into pursuant to s. 163.01. The signatories to the interlocal agreement shall be the department and the governmental entities designated by the Governor for membership on the M.P.O.

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If there is a conflict between this section and s. 163.01, this section prevails.

(c) The jurisdictional boundaries of an M.P.O. shall be determined by agreement between the Governor and the applicable M.P.O. The boundaries must include at least the metropolitan planning area, which is the existing urbanized area and the contiguous area expected to become urbanized within a 20-year forecast period, and may encompass the entire metropolitan statistical area or the consolidated metropolitan statistical area.

(d) In the case of an urbanized area designated as a nonattainment area for ozone or carbon monoxide under the Clean Air Act, 42 U.S.C. ss. 7401 et seq., the boundaries of the metropolitan planning area in existence as of the date of enactment of this paragraph shall be retained, except that the boundaries may be adjusted by agreement of the Governor and affected metropolitan planning organizations in the manner described in this section. If more than one M.P.O. has authority within a metropolitan area or an area that is designated as a nonattainment area, each M.P.O. shall consult with other M.P.O.'s designated for such area and with the state in the coordination of plans and programs required by this section.

(e) An M.P.O. is a public body corporate and politic. The members of the governing body shall be the members of the agency, but such members constitute the head of a legal entity, separate, distinct, and independent from the governing body of any county, municipality, or other entity, which is an entity represented on the M.P.O. or a signatory to the interlocal agreement creating the M.P.O. Upon execution of a new interlocal agreement by the

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894 governmental entities constituting the M.P.O. after redesignation  
895 or reapportionment, the new M.P.O. is subject to all of the  
896 responsibilities and liabilities imposed or incurred by the  
897 existing agency.

898 (f) The governing body of the M.P.O. shall designate at  
899 least a chair, vice-chair, and agency clerk. The chair and vice-  
900 chair shall be selected from among the member delegates  
901 comprising the governing board. The agency clerk shall be charged  
902 with the responsibility of preparing meeting minutes and  
903 maintaining agency records. The clerk shall be a member of the  
904 M.P.O. governing board, an employee of the M.P.O., or other  
905 natural person.

906 Each M.P.O. required under this section must be fully operative  
907 no later than 6 months following its designation.

908 (2) VOTING MEMBERSHIP.--

909 (a) The voting membership of an M.P.O. shall consist of not  
910 fewer than 5 or more than 19 apportioned members, the exact  
911 number to be determined on an equitable geographic-population  
912 ratio basis by the Governor, based on an agreement among the  
913 affected units of general-purpose local government as required by  
914 federal rules and regulations. The Governor, in accordance with  
915 23 U.S.C. s. 134, may also provide for M.P.O. members who  
916 represent municipalities to alternate with representatives from  
917 other municipalities within the metropolitan planning area that  
918 do not have members on the M.P.O. County commission members shall  
919 compose not less than one-third of the M.P.O. membership, except  
920 for an M.P.O. with more than 15 members located in a county with  
921 a five-member county commission or an M.P.O. with 19 members  
922 located in a county with no more than 6 county commissioners, in

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which case county commission members may compose less than one-third percent of the M.P.O. membership, but all county commissioners must be members. All voting members shall be elected officials of general-purpose local governments, except that an M.P.O. may include, as part of its apportioned voting members, a member of a statutorily authorized planning board, an official of an agency that operates or administers a major mode of transportation, or an official of the Florida Space Authority. As used in this section, elected officials of a general-purpose local government shall exclude constitutional or charter officers, including sheriff, tax collector, supervisor of elections, property appraiser, clerk of the court, and similar types of officials. County commissioners ~~The county commission~~ shall compose not less than 20 percent of the M.P.O. membership if an official of an agency that operates or administers a major mode of transportation has been appointed to an M.P.O.

(b) In metropolitan areas in which authorities or other agencies have been or may be created by law to perform transportation functions and are performing transportation functions that are not under the jurisdiction of a general-purpose ~~general-purpose~~ local government represented on the M.P.O., they shall be provided voting membership on the M.P.O. In all other M.P.O.'s where transportation authorities or agencies are to be represented by elected officials from general purpose local governments, the M.P.O. shall establish a process by which the collective interests of such authorities or other agencies are expressed and conveyed.

(c) Any other provision of this section to the contrary notwithstanding, a chartered county with over 1 million

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952 population may elect to reapportion the membership of an M.P.O.  
953 whose jurisdiction is wholly within the county. The charter  
954 county may exercise the provisions of this paragraph if:

955 1. The M.P.O. approves the reapportionment plan by a three-  
956 fourths vote of its membership;

957 2. The M.P.O. and the charter county determine that the  
958 reapportionment plan is needed to fulfill specific goals and  
959 policies applicable to that metropolitan planning area; and

960 3. The charter county determines the reapportionment plan  
961 otherwise complies with all federal requirements pertaining to  
962 M.P.O. membership.

963  
964 Any charter county that elects to exercise the provisions of this  
965 paragraph shall notify the Governor in writing.

966 (d) Any other provision of this section to the contrary  
967 notwithstanding, any county chartered under s. 6(e), Art. VIII of  
968 the State Constitution may elect to have its county commission  
969 serve as the M.P.O., if the M.P.O. jurisdiction is wholly  
970 contained within the county. Any charter county that elects to  
971 exercise the provisions of this paragraph shall so notify the  
972 Governor in writing. Upon receipt of such notification, the  
973 Governor must designate the county commission as the M.P.O. The  
974 Governor must appoint four additional voting members to the  
975 M.P.O., one of whom must be an elected official representing a  
976 municipality within the county, one of whom must be an expressway  
977 authority member, one of whom must be a person who does not hold  
978 elected public office and who resides in the unincorporated  
979 portion of the county, and one of whom must be a school board  
980 member.



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981           (3) APPORTIONMENT.--  
 982           (a) The Governor shall, with the agreement of the affected  
 983 units of general-purpose local government as required by federal  
 984 rules and regulations, apportion the membership on the applicable  
 985 M.P.O. among the various governmental entities within the area.  
 986 and At the request of a majority of the affected units of  
 987 general-purpose local government comprising an M.P.O., the  
 988 Governor and a majority of units of general-purpose local  
 989 governments serving on an M.P.O. shall cooperatively agree upon  
 990 and prescribe who may serve as an alternate member, and a method  
 991 for appointing alternate members who may vote at any M.P.O.  
 992 meeting that an alternate member attends in place of a regular  
 993 member. The methodology shall be set forth as a part of the  
 994 interlocal agreement describing the M.P.O.'s membership or in the  
 995 M.P.O.'s operating procedures and by-laws. An appointed alternate  
 996 ~~member must be an elected official serving the same governmental~~  
 997 ~~entity or a general-purpose local government with jurisdiction~~  
 998 ~~within all or part of the area that the regular member serves.~~  
 999 The governmental entity so designated shall appoint the  
 1000 appropriate number of members to the M.P.O. from eligible  
 1001 officials. Representatives of the department shall serve as  
 1002 nonvoting advisors to the M.P.O. and shall be invited to  
 1003 participate at all M.P.O. governing board meetings. However,  
 1004 representatives of the department shall not be nonvoting members  
 1005 of the M.P.O. governing board. Other nonvoting Nonvoting advisers  
 1006 may be appointed by the M.P.O. as deemed necessary; provided,  
 1007 that to the maximum extent feasible each M.P.O. shall seek to  
 1008 appoint nonvoting representatives of various multi-modal forms of  
 1009 transportation not otherwise represented by voting members of the

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1010 M.P.O. All nonvoting advisors may attend and participate fully in  
1011 governing board meetings but shall not have a vote and shall not  
1012 be members of the governing board. The Governor shall review the  
1013 composition of the M.P.O. membership in conjunction with the  
1014 decennial census as prepared by the United States Department of  
1015 Commerce, Bureau of the Census, and reapportion it as necessary  
1016 to comply with subsection (2).

1017 (b) Except for members who represent municipalities on the  
1018 basis of alternating with representatives from other  
1019 municipalities that do not have members on the M.P.O. as provided  
1020 in paragraph (2)(a), the members of an M.P.O. shall serve 4-year  
1021 terms. Members who represent municipalities on the basis of  
1022 alternating with representatives from other municipalities that  
1023 do not have members on the M.P.O. as provided in paragraph (2)(a)  
1024 may serve terms of up to 4 years as further provided in the  
1025 interlocal agreement described in paragraph (1)(b). The  
1026 membership of a member who is a public official automatically  
1027 terminates upon the member's leaving his or her elective or  
1028 appointive office for any reason, or may be terminated by a  
1029 majority vote of the total membership of the entity's governing  
1030 board ~~a county or city governing entity~~ represented by the  
1031 member. A vacancy shall be filled by the original appointing  
1032 entity. A member may be reappointed for one or more additional 4-  
1033 year terms.

1034 (c) If a governmental entity fails to fill an assigned  
1035 appointment to an M.P.O. within 60 days after notification by the  
1036 Governor of its duty to appoint, that appointment shall be made  
1037 by the Governor from the eligible representatives of that  
1038 governmental entity.

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(5) POWERS, DUTIES, AND RESPONSIBILITIES.--The powers, privileges, and authority of an M.P.O. are those specified in this section or incorporated in an interlocal agreement authorized under s. 163.01. Each M.P.O. shall perform all acts required by federal or state laws or rules, now and subsequently applicable, which are necessary to qualify for federal aid. It is the intent of this section that each M.P.O. shall be involved in the planning and programming of transportation facilities, including, but not limited to, airports, intercity and high-speed rail lines, seaports, and intermodal facilities, to the extent permitted by state or federal law.

(a) Each M.P.O. shall, in cooperation with the department, develop:

1. A long-range transportation plan pursuant to the requirements of subsection (6);

2. An annually updated transportation improvement program pursuant to the requirements of subsection (7); and

3. An annual unified planning work program pursuant to the requirements of subsection (8).

(b) In developing the long-range transportation plan and the transportation improvement program required under paragraph (a), each M.P.O. shall provide for consideration of projects and strategies that will:

1. Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency;

2. Increase the safety and security of the transportation system for motorized and nonmotorized users;

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1067           3. Increase the accessibility and mobility options  
1068 available to people and for freight;  
1069           4. Protect and enhance the environment, promote energy  
1070 conservation, and improve quality of life;  
1071           5. Enhance the integration and connectivity of the  
1072 transportation system, across and between modes, for people and  
1073 freight;  
1074           6. Promote efficient system management and operation; and  
1075           7. Emphasize the preservation of the existing  
1076 transportation system.  
1077           (c) In order to provide recommendations to the department  
1078 and local governmental entities regarding transportation plans  
1079 and programs, each M.P.O. shall:  
1080           1. Prepare a congestion management system for the  
1081 metropolitan area and cooperate with the department in the  
1082 development of all other transportation management systems  
1083 required by state or federal law;  
1084           2. Assist the department in mapping transportation planning  
1085 boundaries required by state or federal law;  
1086           3. Assist the department in performing its duties relating  
1087 to access management, functional classification of roads, and  
1088 data collection;  
1089           4. Execute all agreements or certifications necessary to  
1090 comply with applicable state or federal law;  
1091           5. Represent all the jurisdictional areas within the  
1092 metropolitan area in the formulation of transportation plans and  
1093 programs required by this section; and  
1094           6. Perform all other duties required by state or federal  
1095 law.

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1096           (d) Each M.P.O. shall appoint a technical advisory  
1097 committee that includes planners; engineers; representatives of  
1098 local aviation authorities, port authorities, and public transit  
1099 authorities or representatives of aviation departments, seaport  
1100 departments, and public transit departments of municipal or  
1101 county governments, as applicable; the school superintendent of  
1102 each county within the jurisdiction of the M.P.O. or the  
1103 superintendent's designee; and other appropriate representatives  
1104 of affected local governments. In addition to any other duties  
1105 assigned to it by the M.P.O. or by state or federal law, the  
1106 technical advisory committee is responsible for considering safe  
1107 access to schools in its review of transportation project  
1108 priorities, long-range transportation plans, and transportation  
1109 improvement programs, and shall advise the M.P.O. on such  
1110 matters. In addition, the technical advisory committee shall  
1111 coordinate its actions with local school boards and other local  
1112 programs and organizations within the metropolitan area which  
1113 participate in school safety activities, such as locally  
1114 established community traffic safety teams. Local school boards  
1115 must provide the appropriate M.P.O. with information concerning  
1116 future school sites and in the coordination of transportation  
1117 service.

1118           (e)1. Each M.P.O. shall appoint a citizens' advisory  
1119 committee, the members of which serve at the pleasure of the  
1120 M.P.O. The membership on the citizens' advisory committee must  
1121 reflect a broad cross section of local residents with an interest  
1122 in the development of an efficient, safe, and cost-effective  
1123 transportation system. Minorities, the elderly, and the  
1124 handicapped must be adequately represented.

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1125           2. Notwithstanding the provisions of subparagraph 1., an  
1126 M.P.O. may, with the approval of the department and the  
1127 applicable federal governmental agency, adopt an alternative  
1128 program or mechanism to ensure citizen involvement in the  
1129 transportation planning process.

1130           (f) The department shall allocate to each M.P.O., for the  
1131 purpose of accomplishing its transportation planning and  
1132 programming duties, an appropriate amount of federal  
1133 transportation planning funds.

1134           (g) Each M.P.O. shall have an executive or staff director  
1135 who reports directly to the M.P.O. governing board for all  
1136 matters regarding the administration and operation of the M.P.O.,  
1137 and any additional personnel as deemed necessary. The executive  
1138 director and any additional personnel may be employed either by  
1139 an M.P.O. or by another governmental entity, such as a county,  
1140 city, or regional planning council, which has a staff services  
1141 agreement signed and in effect between the M.P.O. and that  
1142 governmental entity. In addition, an M.P.O. may enter into  
1143 contracts with local or state governmental agencies, private  
1144 planning or engineering firms, or other private firms, to  
1145 accomplish its transportation planning and programming duties and  
1146 administrative functions required by state or federal law. Each  
1147 ~~M.P.O. may employ personnel or may enter into contracts with~~  
1148 ~~local or state agencies, private planning firms, or private~~  
1149 ~~engineering firms to accomplish its transportation planning and~~  
1150 ~~programming duties required by state or federal law.~~

1151           (h) Each M.P.O. shall provide training opportunities for  
1152 local elected officials and others who serve on an M.P.O. in  
1153 order to enhance their knowledge, effectiveness and participation

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1154 in the urbanized area transportation planning process. The  
1155 training opportunities may be conducted an individual M.P.O. or  
1156 through statewide and federal training programs and initiatives  
1157 that are specifically designed to meet the needs of M.P.O. board  
1158 members.

1159 (i) M.P.O.'s shall have the powers set forth in this  
1160 statute and the following powers set forth in this subsection.  
1161 The enumeration of these powers is not intended to be an  
1162 exhaustive list of all M.P.O. powers:

1163 1. To grant, sell, hold, donate, dedicate, lease or  
1164 otherwise convey, title, easements, or use rights in real  
1165 property, including tax-reverted real property, title to which is  
1166 in such public agency or separate legal entity, to any other  
1167 public agency or separate legal entity created interlocal  
1168 agreement. Real property and interests in real property granted  
1169 or conveyed to an M.P.O. shall be for a public purpose which may  
1170 not necessarily be contemplated in the interlocal agreement;

1171 2. To appropriate funds and sell, give, or otherwise supply  
1172 any party designated to operate the joint or cooperative  
1173 undertaking such personnel, services, facilities, property,  
1174 franchises, or funds thereof;

1175 3. To receive grants-in-aid or other assistance funds from  
1176 the United States Government or this state for use in carrying  
1177 out transportation related purposes;

1178 4. To have all of the privileges and immunities from  
1179 liability, as set forth in the constitution, s.768.28, and  
1180 otherwise; to have exemptions from laws, ordinances, and rules  
1181 applicable to public agencies of the state. An M.P.O. shall  
1182 ascertain whether as a separate and distinct body politic and

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corporate entity, it should purchase separate public liability or workers' compensation insurance;

5. To have and provide pensions and relief, disability, workers' compensation, employee salary compensation and reimbursement, and other benefits which apply to the activity of its officers or employees when performing their respective functions;

6. To employ agencies or employees;

7. To acquire, construct, manage, maintain, or operate buildings, works, or improvements;

8. To incur debts, liabilities, or obligations which do not constitute the debts, liabilities, or obligations of any of the parties to the agreement, unless specifically and in writing assumed by any of the parties to the interlocal agreement creating the M.P.O.;

9. To appoint a legal counsel or legal staff of its choice. If the legal counsel is also an attorney for an entity which is a member of the M.P.O., both the M.P.O. governing board and the member entity's governing body, shall waive any potential for ethical conflict; and

10. In addition to its other powers as set forth herein and in s. 163.01, to have such powers as are provided for by federal law or federal administrative rules.

(j) ~~(h)~~ A chair's coordinating committee is created, composed of the M.P.O.'s serving Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota Counties. The committee must, at a minimum:

1. Coordinate transportation projects deemed to be regionally significant by the committee.



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2. Review the impact of regionally significant land use decisions on the region.

3. Review all proposed regionally significant transportation projects in the respective transportation improvement programs which affect more than one of the M.P.O.'s represented on the committee.

4. Institute a conflict resolution process to address any conflict that may arise in the planning and programming of such regionally significant projects.

(k) ~~(i)~~1. The Legislature finds that the state's rapid growth in recent decades has caused many urbanized areas subject to M.P.O. jurisdiction to become contiguous to each other. As a result, various transportation projects may cross from the jurisdiction of one M.P.O. into the jurisdiction of another M.P.O. To more fully accomplish the purposes for which M.P.O.'s have been mandated, M.P.O.'s shall develop coordination mechanisms with one another to expand and improve transportation within the state. The appropriate method of coordination between M.P.O.'s shall vary depending upon the project involved and given local and regional needs. Consequently, it is appropriate to set forth a flexible methodology that can be used by M.P.O.'s to coordinate with other M.P.O.'s and appropriate political subdivisions as circumstances demand.

2. Any M.P.O. may join with any other M.P.O. or any individual political subdivision to coordinate activities or to achieve any federal or state transportation planning or development goals or purposes consistent with federal or state law. When an M.P.O. determines that it is appropriate to join with another M.P.O. or any political subdivision to coordinate

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activities, the M.P.O. or political subdivision shall enter into an interlocal agreement pursuant to s. 163.01, which, at a minimum, creates a separate legal or administrative entity to coordinate the transportation planning or development activities required to achieve the goal or purpose; provides the purpose for which the entity is created; provides the duration of the agreement and the entity, and specifies ~~specify~~ how the agreement may be terminated, modified, or rescinded; describe the precise organization of the entity, including who has voting rights on the governing board, whether alternative voting members are provided for, how voting members are appointed, and what the relative voting strength is for each constituent M.P.O. or political subdivision; provide the manner in which the parties to the agreement will provide for the financial support of the entity and payment of costs and expenses of the entity; provide the manner in which funds may be paid to and disbursed from the entity; and provide how members of the entity will resolve disagreements regarding interpretation of the interlocal agreement or disputes relating to the operation of the entity. Such interlocal agreement shall become effective upon its recordation in the official public records of each county in which a member of the entity created by the interlocal agreement has a voting member. This paragraph does not require any M.P.O.'s to merge, combine, or otherwise join together as a single M.P.O.

3. Each M.P.O. located within an urbanized area consisting of more than one M.P.O., or located in an urbanized area that is immediately adjacent to an M.P.O. serving a different urbanized area, shall coordinate with other M.P.O.'s in the urbanized area or in contiguous and adjacent M.P.O.'s in developing a report

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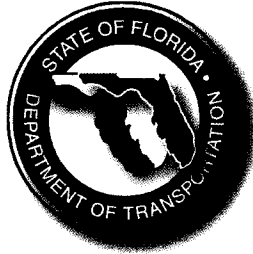
demonstrating how a coordinated transportation planning process is being developed and the results of the coordinated planning process. The report should include the progress on implementing a coordinated long-range transportation plan covering the combined metropolitan planning area that serves as the basis for the transportation improvement program of each M.P.O., separate and coordinated long-range transportation plans for the affected M.P.O.'s, a coordinated priority process for regional projects, and regional public involvement process. The report shall be submitted to members of the M.P.O.'s local legislative delegation by not later than February of each even-numbered year and may be submitted as a joint report by two or more M.P.O.'s or separate coordinated reports by individual M.P.O.'s.

(12) VOTING REQUIREMENTS.--Each long-range transportation plan required pursuant to subsection (6), each annually updated Transportation Improvement Program required under subsection (7), and each amendment that affects projects in the first 3 years of such plans and programs must be approved by each M.P.O. on a supermajority ~~recorded~~ roll call vote or hand count vote of a majority plus one of the membership present

Section 16. This act shall take effect July 1, 2006.



# Road/Bridge Construction Cost Increases



January 2006

1

## Causes for Major Cost Increases

- Construction market saturation
  - “Hot” Market, both public and private sector
  - Additional work recovering from 8 hurricanes
  - Labor shortages
  - Material shortages
- Fuel cost increases



## Causes for Major Cost Increases

- Materials price increases (earthwork, asphalt, concrete, steel)
- Trucking cost increases
- Project requirements:
  - Hours of operation
  - Night work
  - Delayed start
  - Asphalt warranties



## Construction Price Increases

Pay Item Group	Unit	2003	2004	Change	2005	Change
Earthwork	CY	\$4.96	\$4.38	-11.7%	\$7.24	+65.3%
Asphalt	TN	\$55.93	\$61.63	+14.3%	\$75.81	+21.9%
Concrete (Structural)	CY	\$550.56	\$564.12	+2.5%	\$749.87	+32.8%
Steel (Structural)	LB	\$1.06	\$1.48	+39.6%	\$1.57	+6.1%
Steel (Reinforcing)	LB	\$0.52	\$0.75	+44.2%	\$0.89	+18.7%

## **Wide Spread Impacts**

- Counties and other major states facing similar issues:
  - Florida Association of County Engineers and Superintendents confirmed similar results
  - Growth states also confirmed similar results, although those away from the hurricane impacts have not felt these impacts other than fuel prices

5

## **Construction Contract Bids**

- Amount bid compared to the estimated cost in the Work Program:
  - FY05 bid over estimate by 12%
  - FY06 bid over estimate by almost 13% from July to November
  - Varies by geographical areas, heaviest in Southern part of state and more recently in the Panhandle

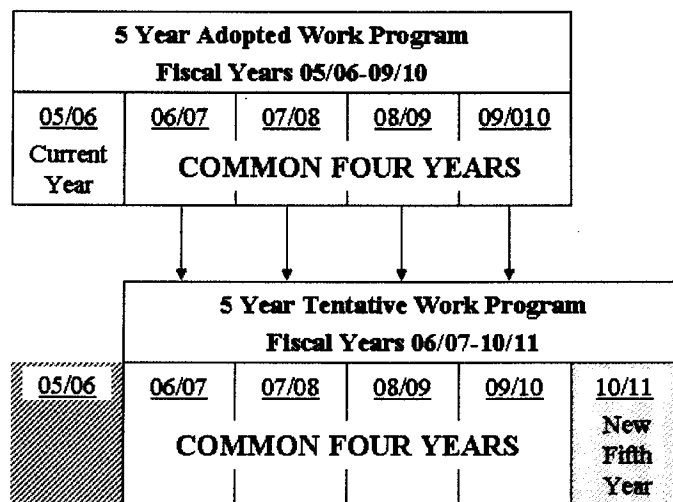
6

## Work Program Development Cycle

- July 2005 Work Program Adopted for FY06-FY10
- July – October 2005 Project Cost Estimates Updated for Common Four Years (FY07-FY10)
- September 2005 - February 2006 Tentative Work Program updated FY07-FY10 and add FY11 (New Fifth Year)

7

## Work Program Development Cycle



8



## **Cost Increases Impact on Work Program**

- “Normal” Cost increases are planned for with “safety factors” built into the Work Program to help “protect” projects:
  - Construction Inflation factors
  - Project level contingencies
  - “Box” contingencies

9

## **Impact of “Abnormal” Cost Increases on Work Program**

- Section 339.135 requires the Work Program to be balanced to available revenues:
  - Abnormal cost increases result in some project deferrals, with a few beyond FY11 (New Fifth Year)
  - Partially offset by “new” funds from November Transportation REC update and SAFETEA-LU

10

## **How Were Deferrals Selected?**

- Federal/State law and policies provide the following funding priorities:
  1. Safety, Operations, and Routine Maintenance
  2. Long-Term Maintenance, Preservation (resurfacing and bridge repair/replacement)
  3. Capacity Improvements

11

## **How Were Deferrals Selected?**

- Projects within Priorities 1. and 2. were protected.
- Capacity projects were then protected to the extent funds were available:
  - DOT districts worked within priorities set by and in consultation with MPOs and Counties within available funds
  - Varies by geographical area due to larger cost increases in some districts

12

## **Public Input**

- Tentative Work Program is an interactive process:
  - Local public hearings
  - Discussions with local officials and legislators
  - Statewide public hearing
- DOT is using this input to refine the Tentative Work Program within available funds

13

## **Improvement Actions**

- Working to add industry capacity:
  - Advertise/search for additional contractors
  - Eliminate impediments to increased competition while ensuring quality products and services
  - Research options to increase labor pool and address materials shortages
- Summit to examine cost increases in February in Orlando
  - Work with industry and others to identify best options to improve the situation

14

## **Improvement Actions**

- Re-examining internal project management and cost estimating processes:
  - Identifying best practices and training on best practices underway
  - Adding a performance measure on DOT “dashboard” on cost estimating
  - Project scoping being better defined and managed
  - Bids over a tolerance (15%) level compared to the estimate have to be approved by Secretary

15

## **Improvement Actions**

- Construction inflation factors increased and more timely indexes being created
- Work Program “contingencies” increased from about 11% to about 15% overall
- Closer interaction with officials established prior to future actions on proposed project impacts

16

## **Next Steps**

- Tentative Work Program presented in draft in February and formally in early March to Governor and Legislature
- Ideas/proposals will be presented to the Governor and Legislature to better equip the DOT and the industry to respond to major price issues based on the Summit in February and other related information – some may be “out of the box” thinking

17

## **Supporting Materials**

18

## Contract Lettings

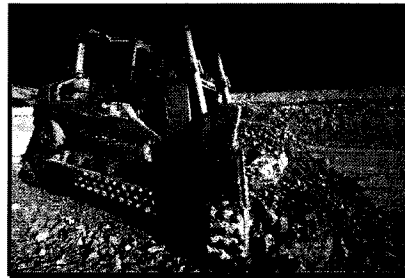
Fiscal Year	Number of Contracts	Avg Number of Bidders Per Contract	Contracts With No Bid	Contracts with One Bid	Contracts with Two Bids	Percent of Contracts w/0, 1, or 2 Bids
2002/03	243	4.3	0	7	27	14%
2003/04	238	3.9	0	20	43	27%
2004/05	240	3.5	4	11	51	28%
2005/06*	96	2.9	1	6	32	41%

\* Data through November 2005 Letting

19

## Earthwork Explanation

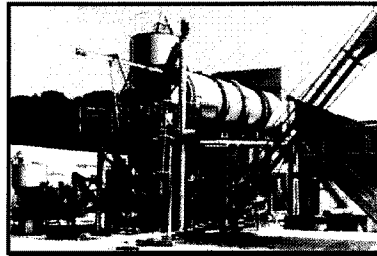
- Prices up over 65% in 2005:
  - Borrow Pit Availability
  - Transportation
  - Permits



20

## **Asphalt Explanation**

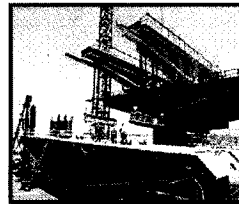
- Prices up 14% in 2004 and 22% in 2005:
  - Oil Prices
  - Materials and Aggregates  
Transportation Cost
  - Bitumen Prices



21

## **Structural Concrete Explanation**

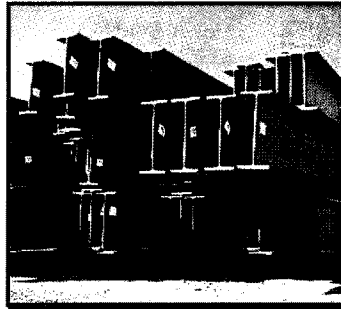
- Prices up 33% in 2005:
  - Cement Price (China demand)
  - Materials and Aggregates  
Transportation Costs
  - Additional Cost to Open Concrete Plant  
for Night Work



22

## Structural Steel Explanation

- Prices up 40% in 2004 and 6% in 2005:
  - China Demand in 2004
  - Virgin Steel Prices



## Reinforcing Steel Explanation

- Prices up 44% in 2004 and 19% in 2005:
  - Raw Material Prices (China demand in 2004)
  - Scrap metal prices





### Contract Bid Analysis – For 04/05 (Statewide Summary through June Letting)

<u>District</u>	<u>Adopted</u>	<u>Low Bid</u>	<u>Over/(-)Under</u>	<u>% of Chg</u>
D1	216.1	301.3	85.2	39.0%
D2	470.9	450.4	(20.5)	-4.0%
D3	383.2	406.4	23.2	6.0%
D4	186.3	209.5	23.2	12.0%
D5	333.6	324.2	(9.4)	-3.0%
D6	356.2	463.7	107.5	30.0%
D7	186.8	199.5	12.7	7.0%
TPK	445.8	535.6	89.8	20.0%
<b>TOTALS</b>	<b>\$2,578.9</b>	<b>\$2,890.6</b>	<b>\$311.7</b>	<b>12.0%</b>

Note:

Includes all projects let by the department through June 2005

This report compares the "Apparent low bid dollar amount" to the "July Adopted Dollar Amount"

25

### Contract Bid Analysis – For 05/06 (Statewide Summary through Nov. Letting)

<u>District</u>	<u>Adopted</u>	<u>Low Bid</u>	<u>Over/(-)Under</u>	<u>% of Chg</u>
D1	59.9	70.0	10.1	16.9%
D2	72.4	75.3	2.9	4.0%
D3	77.2	93.5	16.3	21.1%
D4	108.6	128.6	20.0	18.4%
D5	269.4	276.1	6.7	2.5%
D6	13.5	13.0	(0.5)	-3.7%
D7	102.3	118.5	16.2	15.8%
TPK	83.3	110.3	27.0	32.4%
<b>TOTALS</b>	<b>\$786.6</b>	<b>\$885.3</b>	<b>\$98.7</b>	<b>12.5%</b>

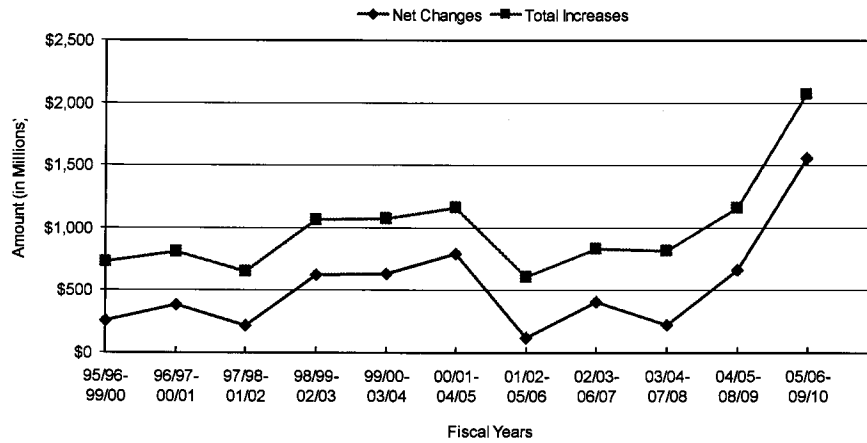
Note:

Includes all projects let by the department through November 2005

This report compares the "Apparent low bid dollar amount" to the "July Adopted Dollar Amount"

26

## History of Cost Estimate Changes in the Work Program Highways and Bridges



FY 95/96 – FY 08/09 is based on Adopted vs Tentative Work Program. FY 05/06-09/10 is based on 7/1/05 Adopted vs 12/16/05 Tentative.

27